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ANGOLA, ZAIRE, ZAMBIA BENGUELA RAILROAD AGREEMENT

Paris AFRICA AFP in English 4 Aug 81 p 18

[Text]

KINSHASA, Zaire, August 1 - Angola, Zaire and Zambia have reached final agreement on a plan to rehabilitate the Benguela Railway, a key export channel for Zambian and Zairian copper that has been crippled for five years by rebel activity in Angola.

The first phase of the plan - including procurement of new rail cars and other equipment - will cost an estimated 18.4 million dollars, which the three African states hope to get from international organizations.

Transport ministers of the three ended a meeting here yesterday by calling for an increase in traffic on the line which links Zaire's Shaba Province with the Angolan port of Lobito.

The railway was closed because of the Angolan independence war in 1975-76, but officially reopened in April 1979 after a three-way accord.

Still, traffic has been below capacity, and the UNITA guerrillas of Jonas Savimbi, who are fighting against the Luanda Government reportedly with South African support, are said to continue to sabotage the line from time to time.

The transport ministers expressed their satisfaction at the settlement of litigation, especially related to the former closure of Lobito port to traffic in transit, and at the fact that Zaire and Zambia had been able to get all their rail wagons back from Angola, which had been holding them.

Arabs and OPEC

Of the 18.4 million-dollar figure for the first stage of rehabilitation, cited by sources close to the Kinshasa meeting, a little over a third has already been provided by the European Economic Community and the United Nations Development Program.

In addition, Angola, Zaire and Zambia have solicited supplementary funds from the Arab Bank for Development in Africa and the Organization of Petroleum Exporting Countries, the source said.

The transport ministers of the three African countries served by the Benguela line will next meet early in 1982 in Luanda.

Attending the Kinshasa session were Transport Minister Fernando Muteka for Angola, Transport and Energy Minister Rajah Kunda and Public Works Minister Haswell Yobe Mwale for Zambia, and State Commissar (Minister) of Transport and Communication Mushobekwa Kalima Wa Katana for host Zaire. (A.F.P.)

CSO: 4700/347

SOVIET-U.S. AGREEMENT SEEN KEY TO ANGOLAN-NAMIBIAN PROBLEM

Paris DEFENSE NATIONALE in French Aug-Sep 81 pp 167-170

[Article by Bernard Brionne: "Angola, Namibia: Two Facets of the Same Struggle?"]

[Excerpts] Angola's independence was proclaimed on 11 November 1975. Since that time, the fraction of the population which supports the MPLA, constituted for the most part by city mulattoes and "assimilados," has been unable to control the entire national territory or restore the economy. The country, which enjoys one of the most promising potentials in Africa, cannot feed its 7 million inhabitants, to whom must be added some 100,000 Zairian, Namibian and South African refugees, and has failed in relaunching industrial agriculture. Coffee production fell from 240,000 tons in 1974 to less than 80,000 tons in 1980; this was accompanied by a loss in quality which encourages competition on an often difficult international market. In the mining field, diamond production has reached again its prewar level, oil is still exploited by Western firms which have built a sort of "foreign forbidden cities," supplied from abroad (Gabon) and protected by Cuban detachments. However, the exploitation of iron and manganese ore has practically ceased. The government is counting on the resources deriving from the development of the oil industry to restore the economy, whose drop has been all the more felt since war activities had provoked an artificial and spectacular takeoff from 1960 to 1975.

Most of the difficulties encountered derive from the near total lack of cadre and qualified manpower, since the educated elements of the population left the country at the time of independence or are now occupying higher positions in the government, the administration and the people's army. Eastern-bloc countries provide technical assistance that is very difficult to quantify and is apparently poorly adapted to local conditions. In the field of security, 5,000 Soviets offer logistical support to the FAPLA, 2,000 East Germans are reportedly training police and intelligence organizations while also providing medical assistance. There are reportedly also Soviet cooperants in various sectors of the economy. The most significant assistance comes from Cuba: Many thousands of Cuban cooperants are employed in the fields of teaching, health and construction. To those must be added some 15,000 Cuban soldiers stationed in Cabinda and the main cities in the central and northern parts of the country providing a dissuasive military presence, notably by protecting transports. However, these Cubans reportedly do not take part in offensive operations against the various rebel movements; the Angolan people's army, trained, equipped and instructed by Soviet military cooperants, is supposed to undertake such operations, but has met with little success so far.

The government has understood--even before President Agostinho Neto's death--that the country would be unable to restore its economy without Western assistance. Already, it has appealed to many thousands of Portuguese cooperants in the field of agriculture and has never attempted to end Western aid in the exploitation and development of oil resources, without which the country would be unable to progress and even to survive. It even seems that the Soviets, sure of their political position and aware of their weakness in other fields, are counseling increased diversification in cooperation from abroad. This interesting opening, however, meets with two obstacles: oil resources have so far been used more to equip security forces and finance military operations than to provide solid bases for an economic development policy. Moreover, the MPLA-Labor Party in power in Luanda does not seem to offer great representativity so far. Unstable since President Neto's death, it remains dominated by mulattoes, who are a minority and too westernized to be accepted without reservations by the African population. The MPLA's internal constitution had justified, after independence, the reservations and opposition of the FNLA and UNITA, representing the northern Bakongo and central Ovimbundu respectively, with the latter grouping 40 percent of the total population. No strong personality can be perceived in a collegial leadership; the political bureau is mostly made up of mulattoes with a few Bakongos, but no Ovimbundu representation. It is true that, while Roberto Holden, the former FNLA leader, is living in exile in Paris, UNITA head Jonas Savimbi continues to fight on his tribal preserve against the MPLA domination, which he views as racist, and against "scientific socialism," which he believes is poorly adapted to local customs and conditions. The FAPLA's increasingly larger role in national life with the help of the Soviets, the less and less important part played by the Cubans--favorable to the mulattoes--in the struggle against the various rebellions, the lack of a "charismatic" personality at the head of the nation could well indicate that an evolutionary movement is brewing, with the establishment of a strong regime which could perhaps be more "African," and therefore more stable.

If this eventual renovated regime could put a stop to internecine quarrels within the MPLA, would it be able to ensure peace? It is difficult to tell. The Cabinda liberation movement does not constitute a genuine threat; in the Bakongo region, only remnants of the FNLA guerrillas can be found, and highway robbery is their only means of survival. However, UNITA is well implanted in the provinces of Huambo and Bie, along the Benguela railroad and has compelled the FAPLA to establish villages for the regroupment of peasants in order to cut them off from the guerrillas. This does not prevent Savimbi's forces from circulating freely over the entire Ovimbundu territory, which extends to the country's southeastern border. They reportedly have supply and training sanctuaries in the Namibian Caprivi strip. Pretoria had openly aided UNITA at the time of independence. It had later withdrawn support, hoping, no doubt, that Luanda, concerned with restiveness among the Ovambos--they live in southern Angola as well as in northern Namibia and militarily dominate SWAPO because they belong to Namibia's most numerous and expansionist ethnic group--would accept to control very closely this organization's activities on its territory. It was, however, difficult for a government that prides itself as representing a pure and hard revolution to consent to such an arrangement, no matter how discreet. It therefore seems that Pretoria, while attempting to reduce SWAPO's military potential through commando operations and bombings, has increased its support of UNITA. The objective sought appears to

be twofold: succeed in obtaining the time to consolidate the establishment of an autonomous government in Windhoek, and prod Luanda into negotiating a good neighbor agreement with Pretoria.

In a sense, the struggle conducted by Luanda against UNITA and the support granted SWAPO are, if you will, two facets of the same struggle, that of the decolonization of an African territory, since Pretoria supports UNITA in order to compel Luanda not to protect SWAPO, recognized by the UN as the sole representative of the Namibian population. After a more exhaustive review, a different conclusion can be drawn: on the one hand, a decolonization war fought by SWAPO with the help of socialist countries; on the other, a civil war conducted by UNITA with aid that is not granted because of the justness of the cause this movement defends, but because it temporarily serves South Africa's interests in Namibia.

In reality, the Namibian and Angolan problems interlock, but are, in essence, quite different. In Namibia, it is necessary to know whether South Africa will obey the UN resolution ordering it to abandon its tutelage of a country entrusted to it by the UN itself to lead it to independence. In Angola, it is a question of knowing whether a government dominated by a minority faction and maintained in power only thanks to socialist forces can ensure that domestic peace which is indispensable for its economic development. The USSR apparently believes that the reverse is true, but it does not want to relinquish its political hold, and would accept Western economic aid in order to preserve it. Public opinion in the West is divided on this issue: Certain people believe that one does not have the right to let an entire population suffer because of its leaders' policies and that one should help the country overcome its economic difficulties; others think that a viable solution cannot be found to the Namibian problem as long as Luanda protects SWAPO's terrorist activities, and that it is therefore necessary to exert pressure for Luanda to agree to come to the negotiating table with Pretoria, given the fact that South Africa is charged with the responsibility of order in Namibia until the constitution of an independent government.

At any rate, it is difficult to affirm that the Angolan Government can have an influence on SWAPO's activities. This military organization seems to be trained and armed in camps Luanda does not control. Moreover, the FAPLA, now busy with other tasks, has abandoned the southern part of Angola, where SWAPO units freely circulate, benefiting from the help of a population whose ambitions they fire up. An agreement between Luanda and Pretoria, therefore, could have as its only practical result to deprive UNITA of external support and reinforce the position of the MPLA.

On the other hand, UNITA is too restricted by the fact of its narrow tribal base to be able one day to claim national representativity, even if the Ovimbundu ethnic group numbers almost half of the Angolan population. Order can only be restored in the interior of Angola through an agreement between the various parties which are the emanation of a certain tribal tradition. However, such an agreement could not be achieved if one of the parties enjoys the support of foreign troops.

SWAPO control, Namibian independence, restoration of order in Angola, no solution seems possible without a Soviet-American agreement, which can hardly be contemplated on the short or medium term.

CSO: 4719/285

BRIEFS

ERROR ACKNOWLEDGED--The ANGOP [ANGOLAN PRESS AGENCY] acknowledged on 12 August that it "erred" in issuing a "Franco-Angolan statement" 4 days earlier, at the end of the visit to Luanda by Messrs Penne and Debray, the two Elysee envoys. The ANGOP admitted that the text in question was, in fact, "a statement on the Franco-Angolan talks" made to the news agency by Mr Fernandes, secretary at the presidency for foreign affairs. [Text] [Paris LE MONDE in French 14 Aug 81 p 4]

CSO: 4719/292

GOVERNMENT VIEWED AS RELUCTANT TO DEMOCRATIZE COUNTRY

London WEST AFRICA in English No 3339, 27 Jul 81 pp 1694, 1695

[Text]

AFTER A grenade attack on a Bangui cinema on July 14, President Dacko banned certain opposition parties, arrested some opposition leaders and ordered a state of siege in the capital. The measures, coming so soon after a visit to Paris by the Central African Prime Minister, M. Simon Bozanga, during which he expressed his faith in the continuation of the multi-party system, has surprised French officials and caused some embarrassment.

Responsibility for the grenade attack, which killed one Frenchman and wounded several others, has been claimed by the Movement Centrafricain de Libération Nationale. In a letter from Lagos, the leader of the MCLN, M. Iddi Lala, suggested that this was only the first of a series of actions against the government. On July 18, the government announced the banning of the MCLN, together with the Front Patriotique led by M. Abel Goumba and the MLPC led by M. Ange Patasse, which is the most powerful opposition party in the country. Earlier the President had deplored the incident — as had two opposition leaders, M. Francois Pehoua and Dr. Abel Goumba. Controls at the frontier were stepped up.

Now it has been announced that M. Ange Patasse has been placed under arrest and that a state of siege has been imposed in Bangui. From Paris, there have been reports of concern on the degree of Libyan

support for opposition groups and M. Patasse's brief reliance on Libya at the time of Bokassa's fall has merely fuelled the speculation in this context.

Paris has already expressed "surprise" at the vigour of the reaction in Bangui. A spokesman of the French Ministry of External Affairs condemned the attack on the cinema but also observed that Paris was asking itself what the implications of the government reaction might be.

The new government in France does not share the enthusiasm of its predecessors for the current set-up in Bangui. The visit to Paris by M. Bozanga was not a great success and subsequent events have contradicted his statements during the visit. He had "insisted on the democratic character of the current experience in Central Africa" and he expressed "the desire of his government to continue the democratic experiment." However, contrary to his wishes, M. Bozanga failed to meet with either President Mitterrand or the French Prime Minister, M. Pierre Mauroy. During the visit M. Bozanga also said that he wished to see the 1962 and 1975 co-operation agreements between France and the Central African Republic revised.

Of the 1,500 French troops in the Central African Republic, 400 are stationed at Bangui. The French government has reiterated that their primary role in complying with the co-operation agreements is

to assist in the protection against external attack and in protecting French nationals. They are also responsible for training the Central African army.

The French government therefore finds itself in the invidious position of being identified with the current wave of repression by the Central African government. President Dacko has gone so far as to set up an emergency tribunal which will try arrested party leaders. They are charged with "instigation to disobedience, attempts against the security of the state, attempted murder and murder."

What is more worrying for both Paris and opposition parties is that the latest actions by the government appear to be a continuation of its reluctance to democratise the country. Legislative elections which were planned for shortly after the March 15 Presidential elections — in which President Dacko squeaked home with 53 per cent of the vote — have been postponed indefinitely.

The four candidates for the Presidential elections who lost have since formed a Provisional Political Council. They have accused the governing party, the Union Démocratique Centrafricain, of arming its supporters. They have alleged that senior civil servants not associated with the UDC have been made redundant and they accuse the President of muzzling the press.

CSO: 4700/344

CHADIAN MINISTERS END VISIT TO LIBYA

LD172143 Tripoli JANA in English 1850 GMT 17 Aug 81

[Text] Tripoli, 17 Aug (JANA)--The Chadian ministers of defence and the interior left Tripoli at noon today after ending a short visit to the Jamahiriyah.

Present at their send-off in Tripoli airport was the General Commander of the Libyan Arab Armed Forces Brigadier 'Abu Bakr Yunis Jabir.

Before leaving Tripoli, the Chadian minister of defence made a statement to our correspondent at the airport. In it, the minister said his visit bore positive results that have expressed the sincerity of revolutionary solidarity between the Libyan and Chadian people and the historic ties that have linked them over the ages.

He said: "We were warmly received by our comrades in arms and understanding prevailed on all topics discussed amongst us...."

He added: "Peace has returned to Chad after their realization of victory with the aid of our Libyan brethren. Our problem now which requires the exertion of considerable efforts, is reconstruction...."

The Chadian minister said the butcher Hissein Habre and his renegades have been forgotten by the people. Habre, he said, is now a defeated man living in the shadow of the treacherous Numayri regime after having been forsaken by his own supporters.

The defence minister condemned the Sudanese ruler's policies and his aggressive attempts against the Chadian people.

He added: "Our relations with the Sudanese people are governed by total respect and optimism. Our differences will remain with the hireling Numayri only, as he is attempting, as a tool of American imperialism, to destabilize not only Chad, but the entire African continent.

CSO: 4700/341

BACKGROUND ON NATIONAL BUDGET GIVEN

London WEST AFRICA in English 27 Jul 81 pp 1699-1702

[Article by M.D. Njie]

[Text]

TAX PROPOSALS contained in the budget speech are the clearest indications yet that the financial year which began on July 1 will usher in an era of economic belt-tightening likely to last for at least a decade. It may not be a decade of extreme hardship but it certainly would be a far cry from the days when well-stocked shop shelves and easy access to luxuries were taken for granted.

An MP of the governing party said the increases in taxes/fees/duty affect "those who can afford them" but even a casual glance at the items affected shows the common man has in no little way been affected. The increases in the duty on textiles, cement, corrugated iron sheets and tomato paste are bound to hit the village dweller as much, if not more than, they do the supposedly well-to-do urbanite.

A feature of the changes as they affect vehicles is that in addition to the increases in the duty payable, a total ban is placed on the importation of vehicles more than four years old.

Already, the impact of the increases in the duty on fuel oils is beginning to be felt. Petrol station prices go up by 50 per cent with the result that a pint of high-grade (super) petrol costs D1.5. Increases of 33½ per cent in taxi fares have been sanctioned. It is fairly certain it would not be long before the transport corporation, biggest transporter of commuters, asks for permission to raise fares. Business had been exceedingly poor even before the increases in the cost of fuel oils.

'Unrealistically high'

Overall the budget provides for a surplus of D8,384,280 — revenue amounting to some D100,569,000 against an estimated expenditure of D92,184,720. Mr. Foday Makalo, of the opposition NCP, described the surplus as "unrealistically high for a country like The Gambia". Last year, the estimated surplus of just over D3.5m. turned out to be a deficit of some D11m.

With domestic output down and world recession approaching the 1929 level, the fiscal year 1980-81 was a particularly difficult one. For the first time in ten years the value of external trade, at D331m., declined in spite of a 10.1 per cent rise in the unit price of imports, the total value of which is put at D278.2m. With total exports falling by 36.4 per cent to D52.8m., the lowest since 1973-74, a record trading deficit of D225.4m. was registered. Petroleum products accounted for 14 per cent of imports when in the previous year they accounted for only 9 per cent. For the ten months ending April, 1981, imports of these products totalled a hefty D32.1m. The figure for the corresponding period last year was D20.6m.

Drop in groundnut production

The country's problems are a direct result of the sharp drop in agricultural output over the past four years. In the four years beginning 1973-74, the average pro-

duction of groundnuts was 132,000 metric tonnes: for the four years ending 1980-81, the average was 78,000 metric tonnes. Consequently the GDP originating from agriculture fell to D87.7m. during the year from D98.5 in 1979-80 and D127 in 1978-79. Actually, there was a fall in the GDP from all sectors, except transport services, construction, real estate and financial institutions, in response to the fall in the agricultural sector.

That the national reserves declined is not surprising in a setting like this. Add to that the liberal trading policy which places few restrictions on imports, and the decline becomes understandable but not necessarily justifiable. Matters came to a head when, around the beginning of 1981, firms and other importers found, to their great costs, that monies paid into banks here for onward transmission to creditors were not reaching their destination until months after. Rumours of balance of payments difficulties and reserves declining to perilously low levels then began to circulate. How alarming the position became was spelt out by the Finance and Trade Minister, Mr. S. Sabally, when he said a really dangerous level was reached in January. Even in April when, he said, they had improved to reach their level of the previous year, they were only sufficient to pay for a month's imports!

Much relief was provided by monies coming in from external sources. D13.68m. was received from the EEC as a Stabex grant. From the IMF there was D775,388 as the country's share from the gold sales; D751,944 from the Trust Fund Loan Facility; D2.1m. representing what is called "the third basic periodic allocation"; D20m. from the Compensatory Financing Facility and D6.8m. from the Islamic Development Bank.

In addition to these amounts, the IMF is to provide funds, over a three-year period, under its Extended Fund Facility. These funds would be utilised partly to meet immediate external commitments and partly as a base for the stabilisation of the reserves.

'Close supervision' by IMF

As all developing countries know to their great discomfort, the provision of IMF funds is not without strings. The Gambian economy will now come under

"close supervision", a euphemism for a degree of external control. The minister has already said that "necessary corrective measures" are being taken. "The foreign reserves," he said, "are being carefully monitored by government in collaboration with the Central Bank. We cannot allow it to deteriorate further. In fact we must build up reserves to more comfortable levels for trade to function smoothly."

This is a clear signal that, liberal trading policy notwithstanding, there will be restrictions on imports. (The former Finance Minister, Mr. Cham, presenting the 1980-81 budget, hinted very strongly at the possibility of import controls.) The minister also said that the development programme will be tailored to the country's current financial position. This means some projects will have to be put off, if not abandoned.

The obvious, though somewhat unpleasant, conclusion is that public expenditure would be reduced. Considering that the public sector is the largest employer, one would expect an upturn in the level of unemployment. Not that unemployment has reached unmanageable proportions. Indeed the country's track record in this field is nothing to be ashamed of. But clearly unemployment having risen by 5 per cent during 1980-81 when the state had a record number of people on its payroll, the prospects of a cutback in government activity cannot be encouraging.

Predictably, the Minister had to do something to reduce the impact of his tax measures on the citizenry. To the farmer, he gave an appreciable rise in the cost of produce. Thus the producer price of (ordinary) groundnuts goes up by D40 to D500 per tonne while a tonne of phillipiine pink groundnuts would fetch D560 instead of D517. The price for paddy rice is increased from D463 to D510. Civil servants and other salary and wage earners will benefit from an upward revision of salaries and allowances "in the course of the next financial year" i.e. July, 1981, to June, 1982.

Addressing a post-budget dinner organised by the Chamber of Commerce, Mr. Sabally told his audience that he would take a second look at the income tax structure which, he is reported to have said, is among the highest in our part of the world.

Total development expenditure for 1981-82, the first year of the second development programme is, at D70,899,500, some D9m. less than the revised expenditure of D79,634,102 of 1980-81 which itself is much less than the original estimate of D86,247,000 for the year.

Projects are slowed

The reason for last year's drop in expenditure can be found in a report by the Economic Planning Minister, Dr. Momodou Manneh, to the first meeting of the National Development Council on April 15. He said then that both internal and external economic conditions were so negative that implementation of projects had, perforce, to be slowed.

Though official circles express a measure of satisfaction at the rate of implementation of the first plan, given the economic conditions, no secret is made of the belief that much more could have been achieved.

According to Dr. J. A. Langley, Permanent Secretary at the Economic Planning Ministry, a carefree attitude coupled with the absence of trained supervisors contributed in no small way to poor implementation in the rural areas. Two months ago, he said that in the absence of enough local manpower, it was necessary to recruit expatriates as supervisors and consultants with the result that millions of dalasis had to be spent on this alone.

Estimates of development receipts for 1981-82 is put at D68,156,000. Much of this would come from external sources, the very uncertain nature of which sources was hinted at by Dr. Manneh, when he told the Council in May that "the OECD countries on which we depend for external assistance to a large degree" are hard-hit by economic problems". As would be the case throughout the five-year period, the first year of the second development programme will emphasise agriculture, in particular the production of food crops. Fisheries and the construction of the regional bridge/barrage on the River Gambia are on the priority list.

The performance of parastatal organisations in 1979-80 was a mixture of satisfactory, less satisfactory and disappointing.

True to its record, the Gambia Ports Authority recorded profits, though less than those of the previous year. The Gambia Utilities Corporation was no more successful during the year, with losses standing at D2,246,508, much of the blame for this going to increased cost of fuel, load shedding resulting in lower revenue and costs of repair to overutilised equipment such as generators. The Public Transport Corporation was also the victim of oil price rises and lack of spare parts which severely affected the schedules of movements.

The Gambia Produce Marketing Board, for long the flag-bearer of successful trading, suffered a loss of D16m. This is understandable because of the unprecedented fall in the production of groundnuts and the apparently limitless calls on the Board's funds by Government.

The National Trading Corporation suffered a decrease of 80 per cent in its gross profit. There was also a decrease of some 10 per cent in its turnover — from D19,937,670 in 1979 to D17,934,792. The final total loss for the year was D3,28,725 as against a loss of D616,526 the previous year. A considerable change occurred in 1980-81 thanks to a reshuffle of top management. For the nine months ending March, 1981, the gross profit stood at D1,642,000 and net profit at D359,000. Moreover, the liquidity situation improved to the point that bank overdraft was reduced by almost D2m.

The profits of the Commercial and Development Bank fell to D306,211 but encouraging progress was registered in statutory reserves and general reserves which stood at D1.5m. and D1.33m. respectively.

Pensions Board surplus

Other success stories are the State Pensions Board which, as at June, 1980, had a surplus of about D2.4m.; the National Insurance Corporation which raised its net profit from D141,029 to D414,087. ⁽¹⁾ and

the Central Bank which was able to appropriate D2.5m. to Government from its D3m. profit.

In the industrial sector, manufacture of brick is receiving greater attention with plans to establish a factory at Basse and a joint Government/UNDP/China project to establish a semi-mechanised pilot brick production project in the urban area. Bricks from these projects are to be used to build demonstration houses and offices over the next three years.

This year will see the start of work on the much talked-of Darsilami Salt Works while a modern soap and detergent factory will be established at Kanifing.

The fishing industry continues to occupy attention. The Ministry of Water Resources is engaged in negotiations on the establishment of a government-owned fishing company. The fisheries project has had commitment of participation from the African Development Bank and the Islamic Development Bank, and an official delegation will soon be going to Norway in connection with the project.

Although the average yield per hectare of cotton had fallen, its expansion and production will continue if only because of its potential as a supplementary cash crop to groundnuts.

Gambian cattle came under increasing external attention during the year. The "Ndaama" breed, with a high degree of resistance to trypanosomiasis, is in great demand. The Nigerian Federal Livestock Department has entered into a contract for the purchase of 5,000 breeders over a five-year period, and last month Gabon contracted to buy an undisclosed number of Gambian cattle. External sales of cattle brought in D1.5m.

The lack of success in the joint venture by the American company Chevron and the French Total in the search for oil and gas in the coastal waters has not dampened the enthusiasm of the Gambian authorities. The minister told Parliament that an exploration licence for the continental shelf area was granted to Elf Aquitaine (Gambia) Ltd., in March, 1980, and a month later a topographical survey "to locate beacons for the radiolocalisation system that would be utilised in the later shallow water seismic survey . . ." was carried out. Six hundred thousand kilometres of seismic lines have so far been shot. An area, of 4,000 kilometres, covering the licence area, have been aeromagnetically surveyed.

CSO: 4700/343

BRIEFS

MAY IMPORTS--The value of imports for May this year has been put at D18.06 million, a little over D5 million than in April, provisional figures released by the Central Statistics Department reveal. The figure for May this year is D4.20 million less than May last year. Provisional figure for export is put at D6.25 million compared with the figure for April which was D7.82 million. The value of exports for the month saw a decrease of D8.59 million when compared with the corresponding month last year. These figures indicate a deficit in the recorded trade in May of some D11.82 million. Food and live animals, mineral fuel, lubricants and related materials, machinery and transport equipment form the three biggest items of export, while groundnut oil accounted for over D3 million of the total export value of D6,246,000. [Text] [Banjul THE GAMBIA NEWS BULLETIN in English 15 Jul 81 p 1]

CSO: 4700/343

BUMPY ROAD AHEAD SEEN FOR MERGED PARTIES

London WEST AFRICA in English No 3339, 27 Jul 81 pp 1702-1704

[Article by Ansah Barnor]

[Text]

A SERIES of defections have hit Ghana's five minority political parties, less than a month after announcing on June 23 that they have resolved differences that had hampered efforts to unite them into one political party for the 1983 Parliamentary elections and the 1984 Presidential.

These defections — as well as the political stature of the defectors — are beginning to disturb the leaders, although for public consumption, they are dismissing them as "mere political gimmicks". However, at a time when the minority parties are trying to make an impact collectively on the Ghanaian electorate, these developments are not being taken lightly by their middle and lower ranks.

Their troubles began last month when after a long period of silence — or stalemate — the leaders announced in a terse communique that they have overcome a wide range of differences that had since February, 1980, hampered attempts to merge the five into a "viable alternative government" to the ruling People's National Party (PNP).

That announcement, coming in the wake of a threat by youth wing leaders and their various student groups to impose a leader from outside if they failed to revive stalled talks leading to a merger, expectedly shied away from the single issue that is bound to make or break the merger: leadership.

The parties are the Ashanti-dominated Popular Front Party (PFP), the United National Convention (UNC), which provides a forum for the right, the centre and the liberal left, the Action Congress Party

(ACP), considered by critics and opponents as "regionalist" having won its 10 Parliamentary seats in the mainly Fanti-speaking Central and Western Regions during the June 18, 1979, General Elections, the Social Democratic Front (SDF), a splinter group from the PNP (Ghana's Vice-President Dr. J. W. S. de Graft-Johnson and Nana Okutwere Bekoe, the PNP national chairman, were paid-up SDF foundation members before the split over ideology) and the Third Force Party, which failed to win a single seat in the 1979 elections and which conducts its rallies and campaigns in the state-owned mass media.

The leaders who signed the June 23 communique were Mr. Victor Owusu (PFP), Colonel F. G. Bernasko (ACP), Alhaji Ibrahim Mahama (SDF) and Dr. John Bilson (TFP). Mr. William Ofori-Atta, national chairman of the UNC which once formed an alliance with the PNP, did not append his signature on the communique.

Compromise proposal

Since there was apparently no agreed choice of a leader at the end of negotiations, the 10-member working committee evolved a method for the selection of a leader: a 150-member Electoral College. Membership of the Electoral College would be in proportion to the individual party's showing at the 1979 elections apart from 10 nominated members from each party.

This arrangement would give this seat distribution on the Electoral College:

Parties	Seats
PFP	57
UNC	38
ACP	25
SDF	16
TFP	14

This was a compromise proposal submitted by the minor parties after heatedly rejecting the PFP's plan, which sought to add each party's parliamentary seats to its seats on the Electoral College; this would have made Mr. Owusu the absolute winner and leader.

It is this compromise arrangement that has sparked off the defections; the most significant "criticism" is the thunderous silence of Mr. Ofori-Atta, who is also Chairman of the Council of State, and the person on whose shoulders the cohesiveness, the unity, the image of gentlemanly-politics of the UNC rests. He has neither welcomed nor condemned the merger. Mr. Ofori-Atta, affectionately called Paa Willie, apparently sees in the UNC leaders, at least in those who abrogated the PNP-UNC alliance, a mix of contradictions and paradoxes. His silence seemed to be asking: why kill a working relationship (alliance) which at best never threatened the identity of the UNC and at worst seemed somehow lop-sided, a situation that could be justified by its parliamentary seating strength, and enter into another alliance which certainly obliterates the UNC?

Denunciation of merger

Down the UNC middle rank, Mr. N. N. Heward-Mills, and Mr. David Lamptey, parliamentary candidates for Ashiedu Keteke and Ayawaso, respectively, in the last general elections, have denounced the merger. Mr. Lamptey, who polled 7,000 against the PNP candidate's 9,000, joined the PNP, taking with him the entire Ayawaso Constituency Executive.

The SDF, too, has not been spared. Professor Mawuse Dake and Dr. Ansa Asamoah, the Deputy Leader and the Deputy General Secretary, have hotly denounced the merger. Professor Dake, the SDF vice-presidential candidate in the 1979 elections, says the merger "is a sell-out by the leaders . . . for their

self-aggrandisement, a further proof of some few self-conceited persons to champion their lust for political power".

Professor Dake, Nairobi-based Project Co-ordinator of UNESCO's Centre for African Network for Scientific and Technical Integration, says the whole merger is irrelevant because the merged parties cannot honestly claim to be the most viable alternative force to the ruling PNP. He says there should have been consultation, a consensus, among the rank and file of all the parties before striking a merger.

Others hold the belief that the merger will revive the spectre of tribal politics that has characterised politicking in Ghana. The Ashanti-dominated PFP, it is assumed, in a merger with their Fanti-speaking ACP cousins — both come from the Akan tribe — would pose a threat to the rest of the ethnic groups in Ghana, particularly the Ewe-speaking people from the Volta Region, the Gas in Greater Accra and the politically emergent Northern and Upper Region peoples.

Less emotional, but nevertheless serious sentiments, are being hawked. Nii Amaa Amarteifio, who intensely opposed the late General I. K. Acheampong's Union Government concept, says the minority parties must not go the way of the Janata Party in India. Their sole objective should not be to defeat the Government in power only to find that they have nothing else to agree upon. Nii Amarteifio, a leading member of the UNC, says that in the election of a leader, no one leader with money should be allowed to buy the Electoral College and grab that post.

In spite of the mixed reaction Mr. Owusu told a rally that if the merger succeeds its Government would be able to achieve in one year what the Limann administration would take eight years to attain. He told the rally, at which representatives of the other parties were present, that the leaders had decided to merge because the danger ahead of Ghanaians was so apparent that the minority parties had sunk their differences to avert the situation.

Areas of discord

There are undoubtedly still areas of discord. The PFP, for instance, has openly stated that it believes in capitalism; the

UNC is a middle-roader, a liberal party, so to speak; ACP is in the same boat with the PFP; while the SDF believes in undiluted socialism, as espoused by Dr. Kwame Nkrumah. The PFP, with its 40 seats in the 140-member parliament, is demanding key ministerial posts in a future government, like Foreign Affairs, Defence, Finance and Economic Planning, as well as Interior (which deals with internal security) plus the most important, the Presidency.

It says it has the funds to back up its demands for these posts. This is true, but the funds are not in the name of the party, large portions being held in various assumed named in bank accounts, since the country's constitution forbids an individual contributor giving more than C1,000 to a political party, wealthy businessmen and traders handed over funds, estimated at C10m., to a leading PFP member.

The ACP and the UNC counter these claims with the argument that the PFP is in serious disarray over the leadership of the

PFP itself and of its parliamentary group — notwithstanding a High Court ruling — with the expulsion of Mr. Kwaku Baah, its MP for Nkawkaw (Eastern Region) and the ex-parliamentary leader, and Mr. J. H. Owusu-Acheampong, the MP for Bere-kum (Brong Ahafo) for showing gross insubordination to the PFP leadership.

Even with the merger now agreed, achieving cohesiveness and eventually defeating the PNP in 1983/84 remains a long shot. The odds are heavily stacked against the floundering minors. It will take them at least a year to select a leader. This leader, whoever he might be, will need at least 18 months to two years to make a national impact — by which time the organisational prowess, combined with the formidable Kwame Nkrumah legacy, might have catapulted the PNP into four more years of power. The next elections in 1983/84 might turn out to be a massacre, which in the long run could pose a threat to democracy in Ghana.

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NIGERIAN 'AID MECHANISM' SEEN LIABLE TO HELP ECONOMY

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[Article by Tetteh A. Kofi¹

[Text]

EXCEPT for oil-rich Nigeria, most of the countries in Black Africa stand on the verge of political and economic collapse. The inability to earn enough foreign exchange, through exports, to meet basic import demand is one of the factors accounting for the economic difficulties in these countries. For most of them, export earnings have been falling due to stagnant demand and deteriorating terms of trade. At the same time import bills have been rising due to sharply-rising oil costs, food imports and debt-service payments. For example, nearly 25 per cent of Kenya's export earnings are swallowed-up by oil imports. Ivory Coast debt service is about 25 per cent of GDP. Zaire's trade deficit is over \$300m. The huge trade deficits faced by most black African countries are the result of this combination of rising food and oil import prices and debt-servicing. Perhaps Ghana faces the most acute form of foreign exchange crisis.

The London *Financial Times*, May 13, 1981, described the economic situation in Ghana as follows: "Supermarket shelves are bare but in a state-owned Accra hotel champagne is on sale for £36 (C220) a bottle; outside the capital, petrol is scarce but in the city a new Mercedes sits in a solid traffic jam with one tyre in a pothole; in a local market, traders offer a loaf of bread for more than the official minimum daily wage." (Section III, *Financial Times* Survey.) The market (free enterprise) system in Ghana has failed. The cedi is overvalued ten-fold and the black market rate reflects international prices.

The Ghana economy has collapsed. It has lost all of its internal correcting mechanisms. Skilled workers are leaving the country in droves — university professors, high school teachers, mechanics. Low wage workers, at present, are not starving to death because of the practice of sharing income — a vestige of African pre-capitalist communalism. This cultural practice will soon disappear as real incomes continue to fall, under perverse capitalist development. Corrupt practices have become part of normal business transactions. The government, unable to collect enough local taxes to pay for its expenditure, has recourse to the printing of more money. Financing development projects by printing more money fuels the rate of inflation, currently running at 150 per cent yearly.

Destruction of cocoa sector

Corruption, mismanagement and inappropriate development strategies have all contributed to the collapse of the Ghanaian economy. For example, the cocoa sector has been destroyed by over-taxation. The government over the years has set prices paid by the Cocoa Marketing Board for the farmers' produce at levels way below the ruling international prices. The farmers have had no incentive to increase output. Production has fallen to half of the 1964/1965 level and Ivory Coast and Brazil have overtaken Ghana as the

leading producers of cocoa. The parasitic elites in the urban centres have killed the goose that laid the golden egg. Productive farmers have been overtaxed to pay for the rising conspicuous consumption pattern of some city dwellers. The farmers have responded by not producing cocoa. The economy is unable to increase production of traditional exports to earn enough foreign exchange to meet the consumption patterns of the parasitic elites. Under this condition, the economy cannot be restored to sanity by simply eliminating corruption and mismanagement. A way must be found to create the necessary incentives for the productive class — the farmers — to produce for export. Even if a way is found, and that is a big if, the Ghana economy needs a breathing space to implement the necessary policies.

Oil imports consume about 40 per cent of Ghana's annual export earnings; food imports and debt-servicing take up a chunk of what remains. Thus, little or no foreign exchange is available to import necessities — medicines, raw materials and other finished goods. Since we do not see any massive aid coming from any quarter to salvage the economy, a way must be found to reduce expenditure on oil imports and debt-servicing. For the past two years the Ghana government has been meeting its debt obligations with the hope that investors will have confidence in Ghana's new leadership and bring in new investment. International investors have not responded. At the same time, creditors have been pressing the government for the loans to be amortised on schedule. It seems that, short of outright grants from friendly countries, the only way out is for the Ghana government to seek an aid mechanism which provides a grace period for payment on oil purchases. This amounts to between \$400m. and \$600m. Nigeria is one of the few countries which can provide such an aid mechanism. I am, therefore, proposing that the Nigerian government provide an "aid mechanism" similar to those which Mexico, Venezuela and Trinidad have been providing for certain Caribbean countries. I will explain later that it is in the economic interests of Nigeria to provide such an aid mechanism to Ghana and, perhaps, to other countries in the Economic Community of West African States (ECOWAS).

Aid mechanism for Caribbean countries

The aid mechanism provided by Trinidad and Tobago for the Caribbean countries is different from that provided by Mexico and Venezuela. The aid mechanism of the former began in 1978 under the stewardship of the Caribbean Aid Council (a modest loan programme had begun earlier). Trinidad and Tobago made loan contributions to the Council to be disbursed to various CARICOM states. The loans were to be amortised on the basis of prescribed grace periods, low interest rates and agreed maturities largely in oil, fertiliser and asphalt. Loan approvals and disbursement under the facility were modest in 1978 and 1979. However, because of the new round of substantial price increases for petroleum products in 1979, Trinidad and Tobago forged a new approach for increasing aid to the region:

"The facility had been structured to provide for the financing of the incremental cost of petroleum products, fertilisers, and asphalt to eligible participants, i.e. member states of CARICOM . . . The proposals limit financing to the incremental cost, since the objective is to assist eligible states to cope with balance of payments difficulties arising from the latest round of increases in the price of petroleum products which started in early 1979."

[Trinidad and Tobago had already contributed to financing balance of payments shortfalls associated with the major oil price increases in 1974. In the period 1974 to 1976, balance of payments support loans to three CARICOM states totalled \$340.8m.]

Trading partnership

The "Energy Co-operation Programme for Central American and Caribbean Countries" was established by Venezuela and Mexico on August 3, 1980. The aid mechanism was explained in a joint statement made by the presidents of Mexico and Venezuela:

"Venezuela and Mexico will undertake to supply the net domestic oil consumption of imported origin in countries of the area,

allocating for that purpose a total volume of up to 160,000 bbl/day, and will also contribute to the corresponding official financing . . . The supplies provided by Mexico and Venezuela under this programme shall be made available by each country in accordance with its usual commercial policies and practices, including those related to available quantities and prices on their respective international markets. Venezuela and Mexico, through their official financial entities, shall provide loans to the countries under this programme amounting to 30 per cent of their respective oil bills for a five-year period and at an annual interest rate of 4 per cent. Nevertheless, if the funds derived from these loans are invested in economic development projects of priority interest, especially those related to the energy sector, such funds could be converted into other loans of up to a 20-year period and at an annual rate of 2 per cent."

Ghana is an important trading partner of Nigeria within the ECOWAS. If Ghana's economy continues to deteriorate, Nigeria will not be able to trade with Ghana. The economic text books tell us that trade is an engine of growth. In a recent article, "The Slowing Down of the Engine of Growth" (*American Economic Review*, 1980), Arthur Lewis argued that the developing countries can no longer (at least in the foreseeable future) rely on increased growth of imports by the developed countries to sustain and generate economic development. The only avenue available to the LDCs to accelerate growth and development at a time when the traditional engine of growth has slowed down is for the LDCs to increase trade among themselves. Thus, it is in the economic interests of Nigeria, with a huge potential to export to the ECOWAS countries, to help resuscitate economic growth in the ECOWAS states whose economies are in the throes of collapse.

Nigeria can afford to offer an aid package, similar to those offered by Mexico, Venezuela and Trinidad/Tobago, to Ghana without affecting her economy adversely. The value of Ghana's oil purchases from Nigeria are a very small fraction of her total sales worldwide. The *International Herald Tribune*, May 22, 1981, reported that Nigeria has cut its oil output by 20 per cent since the beginning of this year. This is because buyers could not be found to purchase Nigeria's high-priced oil (up to \$40.2 a barrel). Nigeria could, therefore, provide oil to Ghana because her supply exceeds the demand. Indications are that Nigeria is not under pressure for foreign exchange.

Can Ghana pay back any soft loans granted indirectly through Mexico/Venezuela/Trinidad/Tobago-type aid mechanisms? The answer is yes. This type of aid mechanism, if granted with about five years of amortisation grace period, will release about 40 per cent of Ghana's annual export earnings to be used to resuscitate the economy.

Common historical heritage

As to why Nigeria should help Ghana out of her endemic economic crisis, both countries share a common historical heritage and common economic structures of underdevelopment. It may be inferred that Ghana is the first African country to have experienced hyper-inflation generated by a special type of structural disequilibrium in its economy: a westernised consumption pattern demand base under a declining agricultural export supply base. The Latin American structuralist school of thought see inflation as an inevitable, yet undesirable, symptom when a third world country embarks on an adequately large development effort. The African economies may be more prone to the structural inflationary process and underdevelopment: the African economies seem to have experienced relatively more structural and institutional dislocation than Latin American countries, under colonialism: the survival of archaic traditional institutions tend to create agricultural bottlenecks; total national exports are based on a few commodities whose prices undergo large fluctuations, thus annual export earnings fluctuate widely from year to year. An economy with such a structure is prone to inflationary tendencies if the demand curve continues to shift outward. We may provide a structural explanation of Ghana's economic difficulties.

Coming of inflation

Inflation, rising prices, results when aggregate demand exceeds aggregate supply. In Ghana, the consumption patterns became progressively westernised during and after the colonial period; currently, demand for imports far exceeds the ability of the country to earn foreign exchange to

pay for them. Since foreign exchange constrains the level of imports to meet demand, inflation is the natural result. At the time Ghana gained political independence, about two decades ago, the seeds had been sown for inflation — aggregate demand was greater than supply. The inflationary impact was not immediately felt because the government inherited substantial amounts of foreign exchange reserves (these reserves were accumulated by the Marketing Board from the sales of cocoa), which were used to purchase imported items to meet the demand. When the foreign exchange reserves were used up under accelerated economic development projects, high rates of inflation began to be felt in the early 1960s and hyper-inflation in the 1970s and 1980s. Space does not allow me to provide detailed historical analyses of government policies which contributed to high rates of inflation. I will summarise my thoughts on this issue (for detailed analyses, see my paper: "Structural Interpretation of Inflation in Africa: The Case of Ghana", Economics Department, University of Notre Dame, Mimeo, April 1980).

The most serious problem facing third-world countries when they embark on large-scale development efforts is the structural implications of the demand shifts: the tendency of demand for imports to rise faster than export receipts. The baskets of goods demanded consists of capital goods, intermediate raw materials, food, oil, and finished household consumable goods. In the African case, current consumption patterns are conditioned largely by external forces — Western industrialised culture. Thus, a large percentage of the value of imports consist of unproductive finished goods (stereo components, wigs, etc.) and conspicuous consumption items (Mercedes-Benz cars, Dimple whisky, etc. We also do not seem to import the appropriate productive items. The productive capital goods, in some cases, are of the "inappropriate technology" types.

The capital intensive production methods in agrarian economies seems to create more structural dislocations in the economy. It is at times not clear if the capital intensive production methods benefits the society as a whole. For example, several studies have shown that capital-intensive farms compared to traditional peasant farms are profitable from the

private point of view but not from the public point of view. This is because of government subsidies which range from over-valued exchange rates which make modern inputs — tractors and fertilisers, etc. — appear cheap. The capital-intensive farms, in most cases, are inefficient from the public point of view. Thus the capital-intensive farmers reap high financial returns but at a high cost to the economy.

Thus, in African-type economies the composition of demand is very important to the development process. My hypothesis is that Ghana is the first African country to have experienced the negative effects of a specific level of "demand composition" determined, to a large extent, by Western consumption patterns. All African countries will experience the inflationary problems affecting the Ghana economy as they attain specific Western cultural levels of the "demand structures". The correlation between this type of demand structure and specific levels of inflation differs from country to country, since levels of export receipts differ. The cultural levels of the demand composition are determined by several factors, including: (1) the nation's propensity to consume imported goods; (2) distribution of *per capita* income attained during the colonial regime; (3) the percentage of the working labour force in the service sector; and (4) when and at what level of intensity industrialisation projects have been implemented. Ghana was one of the first African countries to emulate western culture. Ghana enjoyed one of the highest *per capita* incomes during the colonial period.

Ghana as a workshop

The basic problem in the Ghanaian economy is that aggregate demand exceeds supply; this is the main cause of her high rates of inflation and underdevelopment. The consumption pattern has been developed over a long period of time and it cannot be changed overnight. Given this basic problem together with the fact that the Ghana economy has collapsed, what strategies may be used to revive the economy? Other African countries may draw lessons from any feasible strategies that Ghana may use to resuscitate her economy. I have explained about that Ghana needs a "breathing space" before it can implement a viable strategy to restore her economy to normalcy. These are the suggestions for the aid mechanism:

1. Nigeria may sell oil and oil-related products to Ghana to meet her net domestic needs at international prices. 2. The "aid mechanism" calls for Nigeria to provide loans to the tune of the sales that Nigeria has made to Ghana. Such loans may have a grace period of five years and thereafter interest will be charged at an annual rate of 4 per cent. The loans may be repaid over a 20-year period. 3. Ghana will use these loans to revive her economy. 4. Ghana must bring to the negotiation table a definite proposed plan or strategy for reconstruction of the economy.

If such an aid mechanism is implemented, Ghana will be forced to develop viable strategies to change her consumption patterns and development policies in general. Such an exercise will be useful to other countries who will face Ghana's problem in the near future; Nigeria may be one of these countries. Imagine

Nigeria without oil to export in 20 years; aggregate demand will leap past supply and hyper-inflation will develop immediately. This will not happen if, and only if, Nigeria in 20 years' time could achieve a level of transformation to supply the rest of the world with non-oil products to pay for her imports. It has been estimated that by the year 2000 Nigeria will be consuming one-half of her oil production. Thus it is important that new export lines be opened up to compensate for decline in oil exports. Hopefully new export lines where Nigeria will have a comparative advantage will be found. This transition will not be smooth. Some difficulties similar to Ghana's present problems will be felt by Nigeria. Ghana, therefore, provides a workshop, a laboratory, in which solutions to African development problems may be tried.

CSO: 4700/347

PRESIDENT DISCUSSES DOMESTIC, INTERNATIONAL ISSUES

Conakry HOROYA in French 31 May-6 Jun 81 pp 23-32

[Interview with President Ahmed Sekou Toure by FRG newsman; date and place not specified]

[Excerpts] FRG newsman: Mr President, do you see a danger of neocolonialism in our time, since the industrial countries, including the FRG, are increasingly looking for raw materials in Africa?

President Ahmed Sekou Toure: One cannot speak of the danger of neocolonialism for Africa, because it has already suffered from it. This can only be characteristic of the industrialized countries, above all the former mother countries which had colonies on the African continent and which wanted, while adapting to the demands of the exercise of their sovereignty by the peoples of Africa, to maintain archaic structures, to eternalize their supremacy both on the economic and financial level. Now the former mother countries, desiring to maintain themselves at all costs, could show neocolonial tendencies. But the industrialized countries which had no colonies, which did not have supremacy over the economic, political and cultural life of Africa, could not logically be partisans of neocolonialism. These nations are not bound by any relations of hegemony or superiority with regard to Africa. Thus they would benefit, given the current situation on the African continent, from establishing relations of equality which would thus provide them with just and solid foundations for guaranteeing continuity for the interests they have on the African continent.

Thus we believe that in order to eliminate neocolonialism, it is the body of Europe and the entire West which should cooperate with the body of Africa, defining the goal of long-term cooperation in order to establish a true plan for the development of Africa on the basis of the cultural, scientific, technical and technological means of Europe, for example. Within this context, Africa too can provide Europe with either raw materials or finished or semifinished products--this would be the form of its contribution. In any case, if relations are established on the basis of equality and justice, they will be of a guaranteed continuing nature.

FRG newsman: Mr President, you said, and I quote "that technology and trade are neither socialist nor capitalist." Does this mean that ideology is not important for a country?

President Ahmed Sekou Toure: No, ideology is important for a country, and for an individual. We would explain further that trade and ideology do not have absolute

values. Ideology is a means; trade also is a means. The goal of the activity is the well-being, the happiness of the sociohuman body. The goal is to allow each individual to have the best conditions for the flowering of his faculties, for enjoying freedom and dignity, and to protect his physical, intellectual and moral health.

The act of commerce, as a procedure of trade based on respect for the interests of the partners, is neither capitalist nor socialist. By way of proof, there is indeed a vigorous flow of trade between the socialist countries and the capitalist ones, although there is no shortage of differences between these two groups! The essential thing is to have the most appropriate equipment for the development of the potential of our country. Whether we find it in Moscow, Beijing, Washington, Paris, London or Bonn, etc, it is in our interest to procure this equipment. Africa wants to develop. It can neither muzzle itself nor hinder its own movement. On the contrary, it must search in sovereign fashion for the means to achieve its development, but without violating its sovereignty, much less its dignity.

FRG newsman: Following this theme, I would like to ask you the following question, Mr President. You are socialist and thus it is perhaps a philosophical question. Is African socialism a form of Africanism?

President Ahmed Sekou Toure: We rarely use the word socialism.

FRG newsman: Why?

President Ahmed Sekou Toure: Because its definition is controversial because of the distorted usage of the term by its enemies. The term we use in Guinea is people's revolution. The people's revolution is the advance of man over what he has been, man's progress against the surrounding environment, the progress of the people in mastering nature and themselves.

FRG newsman: Mr President, will African unity be a reality one day, or is it already?

President Ahmed Sekou Toure: It will become a reality one day. Currently, African unity is still in the stage of conception, although it has been materialized through the existence of the Organization of African Unity (OAU). But development is shaking Africa up! The demands of the defense are its gains, the dictates of its emancipation in its relations with other continents, the imperatives of its development are already constraining forces which weigh ever more heavily on the political thinking of Africans and which are leading them, in the economic realm for example, to commit the continent to a process of economic integration, and on the cultural level, to the development of its own culture. Today, the African languages are being taught in many African countries. Africa is currently mobilizing to pursue scientific research on African problems with a view to the mastery of science, while simultaneously obtaining from abroad all the intellectual resources which can contribute to the happiness and the advance of the African continent.

Thus we say that the foundations of this African unity are bound to strengthen. The future depends on the consolidation of the two foundations of African unity. Today, the United States of America is regarded as one of the largest material powers in the world, but let us never forget history: the people of the United

States were also a colonized people, as were those of Africa. The United States freed itself. Happily for its own sake, it did not lose time. It immediately linked the struggle for unity with the struggle for political liberation. The United States of America was born of these struggles.

FRG newsman: Mr President, another question. What permanent solution do you see for Chad? Will it be independent as in the past, the division of Chad or union with Libya?

President Ahmed Sekou Toure: In our view, one should not envision the future of a country other than on the basis of a single force, the people. The people are the highest point of reference, based on the free will thanks to which one can establish a guaranteed program of development. The people of Chad, like all the peoples of the world, aspire to unity, to respect for their territorial integrity, to the normal functioning of their national institutions, and thus to participation in the life of the African continent and the life of the world on a basis of equality with other countries, other peoples. Thus the future of Chad, the best guarantee, lies in respect for the freedom of the people of Chad, aid in resolving the material problems they encounter and which determine the welfare of the people, and guaranteeing the integrity of their territory, respect for the voice of the people of Chad through the national institutions with which it should be endowed--municipal organizations, the national assembly, etc, like any nation, any state--and the government. Let the national institutions function freely! We do not see any future outside of this.

FRG newsman: Mr President, South Africa is supported by the new government of the United States. What is the reaction of the African countries?

President Ahmed Sekou Toure: We do not dare say that South Africa is supported by the new American government. Each must interpret the facts. For our part we would say that South Africa is supported by all those who do not support Africa in Namibia and who pursue a policy of tolerance, if not support, with regard to the racism in the Republic of South Africa. And there are many such. They are agreeable to freedom for Namibia, but, but, but! For freedom, there is no but! It is the indispensable wealth for an individual and for a people. It is indivisible. Without freedom, there is no dignity, there is no responsibility. And this is why we say that all those who do not place trust in Africa would benefit by placing their trust in it, since it is not the independence of Namibia which can put an end to the presence of foreign interests on Namibian soil. Our countries provide evidence of that.

In all these liberated countries, there are European, Asiatic and American companies and enterprises which are continuing to function and to develop. And why would this not be the case tomorrow in Namibia? This is why, beyond any judgment one might make of the policy of the American government, in which it is not alone, we would demand of all the nations of Europe, America, Asia and the Middle East to place confidence in Africa by helping Africa to free itself from the shame which the direct colonization and humiliation of the nonwhite peoples in the Republic of South Africa represent.

FRG newsman: Mr President, I would like to ask you a last question. How do you think the relations between our two countries, Guinea and the FRG, could be improved?

President Ahmed Sekou Toure: Relations can be improved although they are already good, because confidence has been reestablished. A joint political will has been identified, that of loyal cooperation in all realms. Now we can choose the goals of this cooperation, and we hope this will be done as soon as possible. In the economic sector, in the scientific sector, decisions can immediately be made and implemented. We have always said that the FRG represents for us an example of the mastery of technique and technology. When we realize that at the end of World War II everything in Germany, such as factories, had been destroyed, and that in a minimum of time the German people, whose conscience and capacity have not been destroyed, set to work, equipped themselves with one of the most powerful economies, we need this example to galvanize and dynamize the economic development of Africa in general and Guinea in particular.

We believe that if Germany can establish a true development plan with Guinea, and the minor barter trade, if it envisages the happy future of this cooperation benefiting the German people and the people of Guinea, this would in our view be the best choice. But it is necessary to have confidence in the people, in the future, and to commit ourselves with all the necessary dynamism to a project the social and human scope of which will be the further beyond challenge, the more the standard of living for the citizens of Guinea is improved.

FRG newsman: Thank you, Mr President.

President Ahmed Sekou Toure: Thank you, too.

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CSO: 4719/138

NORTH KOREAN PRESIDENT SENDS TOURE FRIENDLY MESSAGE

Conakry HOROYA in French 14-20 Jun 81 pp 40-41

[Partial text of message sent by President Kim Il-song, secretary general of the Central Committee of the Korean Labor Party and president of the Democratic People's Republic of Korea, to President Ahmed Sekou Toure from Pyongyang on 6 June 1981]

[Excerpts] To his excellency Mr Ahmed Sekou Toure, secretary general of the State Party of Guinea and president of the People's Revolutionary Republic of Guinea:

My dear and most intimate friend, Mr President:

With a view to further expanding and developing the excellent relations of friendship and cooperation currently existing between our two countries, and in order to put the commitments made between us into practice as soon as possible, I want to send to your country a delegation representing the Democratic Party and the government of the Democratic People's Republic of Korea, headed by Comrade Pak Song-ch'ol, a member of the Politburo of the Central Committee of the Korean Labor Party and vice-president of the republic, and to send you my warm and fraternal greetings on this occasion.

The Korean people and the people of Guinea are brothers and comrades in arms who have established solid bonds of friendship along the way for the maintenance of independence and socialism.

Today, under the just leadership of your excellency, dear Mr President, the people of Guinea are pursuing a steady forward march, following the independent path of socialist development, and are waging an energetic struggle to build a truly independent and sovereign country, a new and prosperous Guinea without exploitation.

The Korean people warmly congratulate the people of Guinea on the achievements made in their sacred struggle to consolidate political independence and develop the national economy through their own efforts, and they voice their firm solidarity with this just cause.

Our delegation dispatched to your country will seek out and discuss with you in detail the possibility of extending and developing the relations of friendship and cooperation between the two countries in various realms--political, economic and cultural.

At the present time, because of the maneuvers of the imperialists and all the forces of domination with a view to winning or maintaining and extending their spheres of influence, the international situation is proving complex as the days go on.

We are sure that if all the nonaligned countries and the other developing countries in Asia and Africa were to unite firmly, given the current situation, to pursue an energetic struggle with a view to defending their independence and checking and frustrating the aggressive and interfering maneuvers of the imperialists and all the forces of domination, they could easily safeguard the peace and security of the world and guarantee the sovereignty and independent development of each nation.

We voice to you, Mr President, our hope that you who have great authority and influence as an eminent African statesman, will pursue the most determined efforts with a view to the strengthening of the solidarity of the anti-imperialist and independent forces.

The plot of the imperialists and their lackeys to fabricate "two Koreas" is designed not only to perpetuate the division of Korea but at the same time to divide and disorient the nonaligned nations.

On the basis of a firm position of anti-imperialism and internationalist solidarity, Mr President, the government and people of Guinea have always actively sustained and encouraged our people in their struggle to force the withdrawal from South Korea of all foreign troops and to achieve the independent and peaceful reunification of our fatherland.

I express to you my profound thanks. I am convinced that you will vigorously pursue your activities in the international arena, standing beside us firmly and unwaveringly in the future in resolute opposition to the maneuvers to fabricate "two Koreas" and raising the voice of solidarity with the just cause of our people ever more strongly.

Please accept the expression, Mr President, of my most profound respect.

Pyongyang, 6 June 1981

Kim Il-song
Secretary General of the Central Committee
of the Korean Labor Party and President
of the Democratic People's Republic
of Korea

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CSO: 4719/138

GOVERNMENT MAY SET UP PARASTATAL OIL CORPORATION

Nairobi THE WEEKLY REVIEW in English 24 Jul 81 pp 19-21

[Text] THERE is no longer much doubt about the government's intention to import crude oil through a parastatal corporation. The idea has been bandied around for a little more than a year now without the said corporation actually materialising. Such a corporation would negate the need for Kenya to buy its oil through middle-men comprised of the existing six oil companies in the country — all of them branches of foreign multinational companies. The rationale is sound even though the actual establishment and operation of the corporation would be fraught with quite a number of problems. A few months ago, the minister for energy, Mr. John Okwango said that the corporation was already formed and would soon go into operation. That may take quite some time, however.

When the idea was originally mooted, the proposed corporation was expected to import half the country's requirements for crude oil. That would be something like 13 million barrels of crude per year leaving the rest to the oil companies. The marketing of the final product, however, would most likely remain in the hands of the six oil companies, maybe seven, assuming that the financially-troubled Kenya Oil Company was able to continue operating. Somehow, it would appear, the oil companies would have to buy the refined products from the oil imported by the government for marketing throughout the country. In economic

terms, nobody has yet come out with an argument to show how this arrangement would make petroleum products cheaper. Either way, the costs of importing the crude would have to be passed on to the consumer whether the government or an oil company does the importing. Whether the government would be more efficient in doing it than the oil companies still remains a matter of conjecture. The issue of efficiency assumes importance in view of the rather unimpressive record of most parastatal corporations in the country. But unlike the other parastatal bodies whose operations are mostly limited within the country, the state oil corporation's business would be purely external. Kenya money would have to be exchanged for foreign currency, invariably the dollar, which is the currency in which the oil trade is transacted outside the Soviet bloc. A state corporation can succeed only as long as it is managed along purely commercial terms, just as the oil companies are doing. One thing that would have to be done if such a corporation is to survive commercially, would be to ensure that it earns a good profit to enable it to compete in the murky waters of the international oil trade which like the international currency exchanges, is not known for its lack of volatility.

There is moreover no guarantee that a state oil corporation would be able to

wring out of oil producing countries more attractive deals than the oil companies who have been longer in the field. In the first case, there is little justification in the view that oil producers would be more philanthropic when dealing with a state oil company than when dealing with the traditional western multinational oil giants. An oil market differentiated by variable prices to different categories of buyers appears to run contrary to the interests of oil-producing countries.

The notion is nevertheless good, especially due to its potential for ensuring the continuation of an unbroken flow of oil into the country. This is perhaps its most attractive feature, buttressed by the government's fear that a multinational [as printed] oil company could in certain circumstances decide to restrict oil supplies to the country. Even then the state corporation cannot safeguard the country's oil supplies in the event of war in the producing region, as happened last year between Iran and Iraq.

The need for a state corporation has within a week been given more prominence by the hint by the largest oil company in the country, Kenya Shell, that it might be forced to fold-up its operations in the country unless it is permitted to charge higher prices for its products. Kenya Shell is not alone, the whole oil industry in the country is grumbling about not being able to operate profitably. Kenya Shell has taken a step further ahead of the rest and admitted having cash-flow problems, implying that it is faced by a situation in which it is spending more than it is able to recover at any one period.

In an attempt to maintain some balance between its expenditures and revenues, Kenya Shell has advised its customers that it will no longer offer credit facilities after the end of July. After that date, all orders must be accompanied by cash. It takes quite a bit of a crisis before a company as big as Shell decides to withdraw credit facilities from its customers. The reverberations of such a decision will be felt far and wide since credit is the stuff that keeps business going. A direct effect will be the cessation of such credit facilities by filling stations which have been selling fuel to some of their more trusted customers without demanding immediate payment for the fuel. Service stations selling products from other companies (other than Shell), will also most likely withdraw such credit facilities, spreading the effects still further afield. The scenario is a gloomy one and will certainly lead to reduced transactions since few individuals or even businesses are able to meet their financial obligations immediately they purchase a service or product. And since any change in the marketing of

petroleum products almost invariably affects other spheres of the economy, there is a great likelihood of an all-out withdrawal of credit facilities by other businesses and retail trades. The impact on households is likely to be tremendous.

The ministry of energy says that the Kenya Shell's problem has arisen because the company obtains its crude oil in an expensive market where a barrel is sold at around \$37 while other oil companies in the country buy their crude in cheaper markets where the oil is traded for some \$32 per barrel. In such circumstances, the company is buying oil at a rate higher than that paid by competing companies but has to sell the refined products at the same prices as the competitors.

The ministry of energy's view is corroborated by reports from European business sources. But one thing that the ministry might not be aware of is that the Shell group of companies has a thriving petro-chemical industry — what they call "downstream business" in the oil business. Certainly that downstream chain of products is not undertaken in

the country so Kenya Shell is left feeling that its local competitors are cheating on it, even though involuntarily.

Incidentally, Kenya Shell's woes seem to be a microcosm of the plight of oil industries all over the world. The opinion in world financial markets at the moment is that even the major internal oil companies are now vulnerable owing mainly to falling demand for oil. In addition, most governments, especially in Europe, continue to take a rather high proportion, even though a declining one, of retail prices in taxes. And then the curse of the rising dollar, which has risen nearly 20 per cent against most European currencies, has stamped its harmful imprint on the operations of oil companies. The combination of a strong dollar and weak demand has gnawed away at oil company profits. The Shell group for instance estimates that every one cent rise in the dollar against the pound sterling costs an extra £10 million in oil costs a year. For every barrel refined, the big oil companies now say they are losing \$4.50 following price rises by the oil producers since the end of last year.

Those arguments have been bandied about by the local oil industry, which, in any case, is comprised of branches of some major and lesser international oil companies. The arguments are proving a thorny issue to the government which is increasingly being asked to allow the oil companies to charge higher prices for their products. Since the budget speech last month, the government has had to allow an increase notwithstanding the increases contained in the budget proposals. The oil industry is adamant in its pressure for higher prices and in spite of the government's reluctance, it seems likely that quite soon, the oil companies might get their way. At least if the dollar continues rising against other currencies, there will be little else the companies can do but to press for higher retail prices. And justifiably so. There is little the government can do also regarding the other complaint by oil companies that a declining demand for oil products inevitably leads to a rise in

unit refining costs which creates a greater pressure for higher prices. Until the economy picks up later in the year as it is expected to do, that argument will continue to be another potent one in the oil companies' bag.

The government has consistently given the impression it is not ready to witness an oil company taking the country hostage or holding it up for ransom. That seems quite unlikely even in the present circumstances with Kenya Shell talking of ceasing operations in the country. That eventuality is happily unlikely to happen: a company controlling some 40 per cent of the market in the country will not just walk out. That would be creating a vacuum which the competitors would be very happy to fill.

At the time, the government can only talk about long-term plans which include both the setting-up of the state oil corporation and the proposed plan to make petrol with alcohol from the two power alcohol plants, one at Kisumu and the other at Muhoroni. The two plants are expected to produce a total of 38 million litres of alcohol (methanol) to be used in blending with petrol. The ministry of energy says that the alcohol will displace about 13 per cent of current consumption of petrol. The high costs of putting up the Kisumu plant, however, has raised doubts about the viability of the project. Moreover the company responsible for the venture, the Kenya Chemical and Food Corporation, a joint venture between the government and the Madhvani group of companies, itself admits that the alcohol expected to be produced by the Kisumu plant will not be economic to market without heavy government subsidies. However, the government is unlikely to be in a position to subsidise fuel to the extent that is required by the KCFC. The main reason is that the price of molasses which form the factory's basic feedstock, have risen about five times in comparison to the prices used in costing the project's viability.

As if by pre-arrangement, the present

unsettled situation in the energy scene within the country has coincided with preparations for the United Nations Conference on New and Renewable Sources of Energy which will be held in Nairobi in the second and third week of August. The way things look, it seems quite likely that when the conference opens on August 10, the country will be experiencing one of its most severe threat to its energy supplies. At the moment, cooking gas is hard to find, kerosene has not been easily available for well over one month and now a major oil company says that it might cease supplying its products. The price of charcoal has recently increased following the lifting of price controls. In the rural areas, fuel-wood, which is the major source of energy for heating and cooking, is increasingly becoming rare with a consequent escalation in the price of logs for firewood.

At the other end of the spectrum, conservationists are warning that the country's forests and woodlands are being depleted at an alarming rate and recommend re-afforestation. However, the country's rising population is increasingly clearing more land for cultivation. The attempt by the ministry of energy to produce an energy policy, which at the moment remains a very unconvincing broad statement of desirable goals, is a step in the right direction. But its benefits are likely to be enjoyed only in the long-run. But someone seems to have advised the ministry of energy to pay some attention to a rather unproductive diversion. In the middle of this week, Okwanyo said that the government is even studying a report on the viability of generating electricity by using nuclear reactors which appears to be an unfortunate diversion of the ministry's efforts.

CSO: 4700/350

FRG LOANS SH. 42.6 MILLION FOR WATER SUPPLY

Nairobi DAILY NATION in English 22 Jul 81 p 28

[Text] West German has loaned Kenya nearly Sh. 42.6 million for the construction of the Kitale Water Supply Project phase II and the purchase of quality control equipment for the Kenya Bureau of Standards.

The Vice-President and Minister for Finance Mr. Mwai Kibaki signed the two agreements on behalf of the Government while the West German Ambassador to Kenya, Dr. Alfred Kuehn signed for his government.

The Kitale Water Supply Project will receive Sh. 40 million while Sh. 2.6 million will be used to supply quality control equipment for the Kenya Bureau of Standards.

Mr. Kibaki thanked the Bonn Government for its continued assistance to Kenya and said the assistance towards the provision of water to urban centres was most noteworthy.

He said the biggest problems facing Kenya today were the provision of adequate housing, water and other amenities to cope with the expansion of towns.

The Vice-President further thanked the West German Government for assisting Kenya achieve her water supply targets in both urban and rural areas. He stressed that it was still the Government's intention to provide good water for her population by the year 2000.

On the agreement for the supply of quality control equipment to the Kenya Bureau of Standards, Mr. Kibaki said the Bureau ensured that Kenyans got quality products from the manufacturers and that exports were of competitive standards.

He said the Kenya Bureau of Standards had plans to set up an institute to serve standard requirements for the whole of Africa.

The German Ambassador said the soft loan carries a repayment period of 50 years, including 10 years grace period and 0.75 per cent interest.

He said the loan will provide for the cost of construction of a new water intake and a pumping station of Nzoia River and a new water treatment plant.

Dr. Kuehn said his government has earmarked about Sh. 104 million for the extension of water supplies in Kitale, Kericho and Malindi.

He said, in addition to soft loans for water supplies in various urban centres, his government has seconded 10 experts to the Ministry of Water Development within the framework of its technical co-operation scheme.

CSO: 4700/350

BRIEFS

ANTI-SHIFTA UNIT--Wajir district will soon have a strong and well trained anti-Shifta unit which will operate alongside the regular security forces to liquidate the Shifta menace in the area. The local administration has disclosed that it will soon launch a massive campaign to track down Shiftas who have defied the Government's appeal to surrender. According to Wajir D.C. Mr. Nicholas Mberia, the campaign will start after the homeguards currently undergoing training in Wajir town have passed out. [Text] [Nairobi THE STANDARD in English 24 Jul 81 p 3]

UGANDAN SOLDIERS JAILED--Five Uganda Army men found smuggling nearly 6,000 skins at Sumba Islands in Western Province of Kenya have been jailed for 15 months each. Before the Kakamega acting resident magistrate, Mr. G. N. Osango, were Jacob Egwang'a, who is a lieutenant at Mayangi Barracks in Uganda, James Mugumi, Wilson Ongomi, Hassan Mohammed and Harun Hansi, all jointly charged with having uncustomed goods. Inspector Felix Wanjala told the court that on June 28, the accused were arrested by Kenya police while anchoring their boat with the smuggled skins at Sumba Islands in Lake Victoria. The accused fired at the crew of a Kenya Fisheries Department boat in a bid to scare the crew away due to fear of being arrested, Mr. Wanjala said. He said a team of Kenya police arrested the lieutenant after his futile attempts to resist. In their defence, four of the Ugandans maintained that Sumba Islands was in their country. Passing sentence, the magistrate doubted whether the sophisticated weapons the accused had, which included a machinegun and bombs, were for ordinary patrols. He ordered that the accused's boat engines plus the money obtained from the auction of the skins be forfeited to the Kenya Government. [Text] [Nairobi THE STANDARD in English 23 Jul 81 p 1]

HUNGARIAN TRADE DELEGATION--Chairman of the Kenyan Chamber of Commerce Francis Macharia received a trade delegation from Hungary and stated that Kenya was prepared to exchange views with them on trade and technology. [Text] [Nairobi TAIFA LEO in Swahili 7 Aug 81 p 7]

CSO: 4749/15

MINISTER WARNS REFUGEES: AVOID CRIME OR BE DEPORTED

Maseru LESOTHO WEEKLY in English 7 Aug 81 p 1

[Article by Francis Khoaripe]

[Text]

THE Minister of Interior and Chieftainship Affairs, Morena Sekhonyana 'Maseribane, has strongly warned political refugees involved in criminal acts to stop them forthwith or face deportation.

Addressing more than 800 refugees here last week, Morena 'Maseribane said it had been reported that some of them were harassing local people.

He said they were allegedly involved in house breaking, robbery, rapes and that they were carrying along with them dangerous weapons and even smoking dagga.

REFUGEES

Morena 'Maseribane said that refugees here were integrated into society whereas in other

African countries they were confined in camps.

He said some of them did not appear to be genuine refugees, but agents of the South African Department of National Security (DONS).

The Minister strongly appealed to refugees to turn a new leaf and assured them of protection as "we don't accept discrimination of any kind."

MASUPHA

Speaking at the same meeting, the Principal Chief of Matsieng, Morena Masupha Seeiso, who is also responsible for the Maseru urban area, said that there was an outcry among the people that since refugees came into the country in great numbers the crime rate had increased considerably.

Present at the meeting were the Director of Immigration, Mr. E. T. Matsau and Representative of the United Nations High Commission for Refugees (UNHCR), Mr. Andrew Sokiri.

CSO: 4700/354

REAGAN FOREIGN POLICY CRITICIZED AS CONTRADICTIONARY

Maseru LESOTHO WEEKLY in English 7 Aug 81 p 4

["I Speak My Mind" column by Lebohang Lejakane: "U.S. Foreign Policy a Messy Affair"]

[Text] THE inherent contradictions in Reagan's foreign policy characterized by genuine and not contrived underestimation of the intelligence and integrity of leaders of the 'Third World' in particular, will sooner or later embarrass his confused administration.

Washington's clumsy alliance with Pretoria under the pretext of fighting 'Soviet expansionism' is a non-starter. It must not be forgotten that Pretoria regime has its own definition of words such as 'communist' or 'terrorist.'

It labels as communists or terrorists all peace and freedom loving people who genuinely fight for their basic human rights. In short all people who fight for equality and justice regardless of race or creed.

On the basis of this definition one wonders

whether Washington and Pretoria are singing the same song when they 'declare war' on communism. Perhaps they are singing the same old song in different tunes.

However, in the process Washington is fighting a losing battle as its alignment with South Africa consolidates and expands 'Soviet influence' particularly in this continent.

America's confused and inconsistent foreign policy is highlighted by the fact that while on one hand she denounces racism as an affront to human dignity, on the other hand her ties with South Africa are fast growing stronger and stronger, thus reinforcing convictions that it is the massive investments in South Africa that count and not violation of human rights. She rings loud bells on international fora on 'violation' of human rights in socialist countries, but exchanges messages of friendship with Pretoria.

Of late Pretoria and Washington want to turn the Namibian question into an issue of a choice between SWAPO on one hand and Western security on the other. This transformation can hardly go off the ground. It is a psychological masturbation and striking frustration manifested in heartening political backlashes which are threatening to make our continent the focal point of East-West tension.

Namibia is being illegally occupied by an intransigent external power that has for years, consistently and traditionally defied world opinion and ridiculed international law. This it has done and still do in eloquent connivance with the Western countries that are exploiting the economic dynamism of Namibia in concert with Pretoria.

South Africa's assertion that it will not hand over power to a Soviet-backed Marxist government in Namibia

is both ridiculous and preposterous.

The point at issue is to give the Namibian people chance to exercise their inalienable right to decide on who they want as their leaders regardless of whether Pretoria wants them or not.

There is absolutely no connection between the presence of Cuban troops in Angola and Pretoria's occupation forces in Namibia. The former (Cuban troops) are in Angola at the invitation of the legitimate govern-

ment of Angola whereas the latter (South African troops) are a mere occupation force trying desperately to impose its puppets on the people of Namibia.

It is interesting to note that while America is loudly voicing its opposition to the presence of Foreign troops in Angola, Ethiopia, Kampuchea, Afghanistan (you name them) it is deadly silent about hundreds of French troops in West Africa let alone the presence of South African troops in Namibia.

CSO: 4700/354

BNP SECRETARY REBUTS BCP CHARGES ON ELECTION

Johannesburg RAND DAILY MAIL in English 6 Aug 81 p 4

[Article by Chris Freimond]

[Text] The executive secretary of Lesotho's ruling Basutho National Party (BNP), Mr Desmond Sixishe, has reacted strongly to allegations by an opposition leader that the Prime Minister, Chief Leabua Jonathan, would call a general election only if he knew he would win.

In an interview with the Rand Daily Mail yesterday, Mr Sixishe said no Prime Minister would call an election if he believed he was going to lose. He went to the polls when the trend was towards his party.

He was commenting on the views of the exiled vice-president of the Basutholand Congress Party (BCP), Mr Tseliso Makhakhe, who accused Chief Jonathan of making moves to entrench himself permanently in power.

Refused

Mr Sixishe also attacked Mr Makhakhe's demand for Chief Jonathan to step down and allow an interim administration to rule.

"People seem to have forgotten that in 1974 the Prime Minister invited the BCP to join the National Assembly and Cabinet. They refused because they could not agree among themselves on who should be Ministers.

"They decided instead to try to overthrow the government by force, but that has failed and now they demand a share in the government," Mr Sixishe said.

Mr Sixishe also rejected suggestions that any moves towards a general election by Chief Jonathan were a result of pressure from donors of financial and material aid.

CSO: 4700/354

SPOKESMAN DENIES LLA CHARGE OF AID TO ANC, PAC

Maseru LESOTHO WEEKLY in English 7 Aug 81 p 2

[Text] TWO South African liberation movements, the African National Congress (ANC) and the Pan Africanist Congress (PAC) have been labelled by the leader of the so-called Lesotho Liberation Army (LLA) as enemies of Basotho. . .

According to pamphlets found at the scene of last week's mortar attacks from South Africa on a petroleum installation in Maseru, the ANC and PAC collaborated with the Lesotho Government against Ntsu Mokhehle's faction of the Basutoland Congress Party and the LLA.

It was alleged that there were NAC military instructors in the Lesotho's Paramilitary Unit and that ANC cadres had joined forces with the PMU on some military operations against the LLA.

The pamphlets also attacked the PAC that it had also started co-operating with Lesotho authorities and that it had reneged on its earlier friendship with the BCP.

The LLA leader, Ntsu Mokhehle, described the ANC and PAC refugees in Lesotho as enemies who should be annihilated and appealed to his supporters to ostracize them. He said they should not harbour those refugees in their homes or help them in any manner.

The pamphlets bore the signature of Ntsu Mokhehle and were rubber stamped with ink similar to that used to stamp passports at the South African border posts.

A Government spokesman denied military collaboration between Lesotho and the South African liberation movements. "Lesotho only protects and does not collaborate with the refugees."

The spokesman said, however, that Lesotho would always consistent-

ly maintain her well-known support for the legitimate struggle of the people of South Africa against racism and apartheid.

Mokhehle's outbursts against the South African liberation movements was not surprising in the context of the long-established fact that he is a tool of the Pretoria regime, the spokesman said.

The spokesman said that the base of co-operation between Mokhehle and South Africa had been broadened and the fact that Mokhehle had declared war on that country's liberation movements in writing was proof that co-operation approaching an unholy climax.

All right-thinking Basotho should denounce Mokhehle's naked self-outism and continue to offer all possible assistance to refugees in Lesotho, the spokesman said.

BRIEFS

MINISTERS SWORN IN--Three Ministers were sworn in as Cabinet Ministers and one as a Minister of State by Chief Justice T. S. Cotran at a ceremony held at the Royal Palace in Maseru this week. Morena Lekhooana Jonathan was sworn in as the new Minister of State; Morena Matete Majara as Minister of Water, Energy and Mining [as printed]; Mr. John Calvin Masithela as Minister of Commerce and Industry, Labour and Tourism, and Mr. Bishop Augustine Tlelase as the new Minister of Education, Sports and Culture. Morena Jonathan, a member of the National Assembly, replaces Mr. Khaketla Khaketla while Deputy Speaker Morena Matete took over from Mr. Charles Dabende Mofeli, who now remains a member of the National Assembly. Mr. Masithela is also a member of the National Assembly. Mr. Tlelase is a former Registrar of the National University of Lesotho. [Text] [Maseru LESOTHO WEEKLY in English 7 Aug 81 pp 3-4]

EXPULSION OF SOUTH AFRICANS--Maseru--Fifteen South Africans had been expelled from Lesotho following a spate of crime in the country, a government spokesman said in Maseru yesterday. The spokesman said some of the people deported had entered Lesotho illegally, while others had posed as political refugees seeking asylum in the country. Others had been discovered to be agents of the South African security police, the spokesman said. However, none of the people expelled was a "genuine political exile" who had fled South Africa because of persecution. "Victims of apartheid will always find a home in Lesotho," the spokesman said. The deportations follow threats of drastic action on law-breakers made earlier by the Prime Minister, Chief Leabua Jonathan. [Text] [Johannesburg THE CITIZEN in English 15 Aug 81 p 10]

BOMB EXPLOSIONS--Maseru--A series of bomb explosions and a fire in which a man was burned to death have occurred in Lesotho's Mafeteng, Berea and Leribe districts in recent weeks. A bomb exploded at police barracks in the southern Lesotho town of Mafeteng near Wepener early yesterday. The explosion is reported to have damaged the barracks, and a woman in a house nearby received minor injuries. In the Berea district, a house belonging to a member of the Lesotho volunteer police reservists, Mr Makgalanyane Letela of Sefeking, was bombed last Thursday. Mr Letela's wife was seriously injured. Home-made bombs were discovered at various places in the districts. The explosions follow several sporadic attacks by members of the Lesotho Liberation Army, a military wing of Mr Ntsu Mokhehele's exiled opposition Basotho-land Congress Party. [Text] [Johannesburg THE CITIZEN in English 13 Aug 81 p 7]

URANIUM IS REPORTEDLY FOUND IN BASSA COUNTY

Monrovia NEW LIBERIAN in English 17 Jul 81 p 8

[Article by Sam Johnson: "Uranium Found in Liberia"]

[Text]

Lands and Mines Minister Dr. Foday Kromah has confirmed the existence of uranium in Liberia. He said a discovery has been made in Bassa County by a U.S. company, known as Coastal Liberian Uranium Enterprises (CLUE).

Dr. Kromah told the NEW LIBERIAN Thursday that the mineral is of "competitive grade" and that its prospects of future exploitation appear "very promising", although commercial quantity has not as yet been defined.

The uranium deposits were discovered following four years of geological operation by CLUE at various areas around the country.

The Minister also spoke of probable uranium deposits in Bellefani, Bong County, and the Bopol District, Lofa County.

Uranium is a mineral used mainly for the generation of atomic energy for electrification and for military purposes, such as the production of nuclear

weapons.

Meanwhile, offshore drilling, aimed at ascertaining the existence of petroleum along Liberia's continental shelf and ocean depths, is expected to begin next year, according to a French oil firm contracted by government.

Mr. J.C. Ferrand of Ferrand and Associates, which is carrying out the analysis and interpretation of exploration data, made the disclosure here Wednesday during a briefing session with officials of the Ministry of Lands and Mines and related government agencies.

Mr. Ferrand said though data processing presently going on shows the probability of hydrocarbon deposits, which is the basic elements of crude oil and natural gas, the drilling of wells will provide the final answer to the existence of petroleum deposits or not.

The processing of data is the second phase of an estimated \$6 million petroleum exploration program being

sponsored by the Liberian Government and the World Bank.

According to Minister Kromah, when the second phase is completed at the end of this year, interested oil companies would be invited to undertake the drilling.

CSO: 4700/348

OFFICIAL VISITING BRITAIN REJECTS LABELS

Maputo NOTICIAS in Portuguese 7 Aug 81 p 3

[Article by Carlos Cardoso: "To Smoke or To Smoke Like..."]

[Excerpts] On the morning of the 27th we left for Manchester, on the way to that region in the north where everyone complains that this is "the forgotten part of the economy." "The south is sucking our blood," someone said, adding: "We have too much rain and too few investments."

Barry Munslow, who until 2 years ago used to work at the African Studies Center of the Eduardo Mondlane University in Maputo, was at the door of the house that he and a few other friends had been able to purchase. He received us with the warm welcome of someone who feels that a part of himself has just arrived from far away.

We were joined by about 20 militants who have been closely following the Mozambican revolution's progress. They are prepared to "wring out" a member of the FRELIMO Central Committee, because the news reaching Great Britain is scarce and some interpretations are, perforce, simplistic.

Armando Guebuza opened his remarks by referring to the political and organizational offensive launched by President Machel at the beginning of 1980.

"We were running the risk of speaking about socialism without, meanwhile, building socialism. There were obstacles, some caused by external factors and others by internal events. The Zimbabwe peace agreement gave us the opportunity to launch the offensive. Today, in the country, there is a better understanding of discipline and a better sense of planning."

The FRELIMO's development policies are at the center of political analyses abroad. In this connection, Guebuza said: "There were two attitudes. According to the first, the state should control everything. However, we feel that it is not incompatible with socialism if certain economic sectors of lesser importance are in the hands of private businessmen. Socialism is mainly interested in state control of the strategic sectors of the economy.

Another attitude was that, as socialists, we should entrust the solution to our problems to the more advanced socialist countries. But this did not take into

account the West's progressive forces. It was a question of whether or not Mozambique should maintain relations with multinational companies. At this juncture, we asked: How did the Soviet Union do away with underdevelopment? Today developed socialist countries hold investments in the West. Then, why not Mozambique? Is Mozambique an adult or not?"

This led to still another issue. One of the British present asked whether Mozambique is following the "Soviet model."

European political analysts suffer from a certain disease: An underdeveloped country must be "pro-West," or else, if it is a revolutionary nation, it must be "pro-Soviet" or "pro-China."

Thus the world is comfortably divided into areas of influence of the so-called "big ones," and alliances are pejoratively reduced to a form of subordination.

"If we are 'pro-West,' 'pro-Soviet' or 'pro-China,' then, where is the Mozambican people? We are Mozambicans, you know. When we reached the third FREI LMO congress, we saw that everything we had done during the fight for liberation and after independence with the nationalizations, all this was like impetuous waters flowing into a big river. The river's name is Marxism-Leninism. That is why we call our party Marxist-Leninist. We were Marxist-Leninists before adopting the label. Why should we use a different one?"

Guebuza added: "Some called us African socialists, others called us black communists. Still others said that we are a country with a socialist orientation. We said, we are not socialist-oriented, we are socialists, we are Marxist-Leninists."

But what is the root of the problem?

In Maputo the story is told that late one night, President Machel was discussing this with a Canadian militant. He put the situation thus: "You know, the problem affecting many progressive blacks in Africa is that Marx was white. And for some white Marxist theoreticians, the problem is that Samora Machel is black. You see?"

A small episode: At the end of a public meeting in Manchester, Armando Guebuza was smoking a cigar, when someone commented: "You smoke like Castro." "Or like Churchill," said another. Guebuza looked at both of them and clamly retorted: "I am not smoking like...I am smoking."

CSO: 4728/99

BRIEFS

AVAILABILITY OF S. AFRICAN GOODS--Visitors to the market of the city of Namaacha are not so much attracted by the succulent, sweet oranges and tasty bananas in abundant quantities. No; a lucrative business in knitting yarn, cakes of "Lux" soap, home-sewn caps and sweaters is the center of attention of the female tourists. However, to purchase one cake of soap, one must close one's eyes to avoid seeing how easily 150 meticals can be spent. Everything is "made in South Africa," but as to how goods get there, or enter the country, no one wishes to disclose. "You, the customer, don't need to know about that; all you have to do is buy. The rest are private details of my business," a young girl selling thread and soap cakes told me. [Excerpt] [Maputo TEMPO in Portuguese 2 Aug 81 p 16]

GDR MINING TRAINING--Mozambican students at the Freiberg Academy of Mines in the GDR placed second among all groups in the academic year 1980. Their Bulgarian colleagues came first and the Mozambicans were followed by students from Vietnam. Various students have already returned from the GDR, where they attended mining courses at the Freiberg academy. There are now in this institution 16 Mozambican students, 10 of whom are in their first year, 5 in their second year and one in his third year, distributed among various courses, notably mining engineering, ore processing, geophysics, energy technology and underground topography. Students now in our country for a one-and-a-half month vacation period will conduct research related to their field on subjects of their choice and non-compulsory. [Text] [Maputo NOTICIAS in Portuguese 4 Aug 81 p 2]

CSO: 4728/99

CHASM WIDENS BETWEEN WHITE POLITICAL PARTIES

Johannesburg THE STAR in English 3 Aug 81 p 18

[Article by Alan Dunn: "A Widening Ideological Chasm"]

[Text] The ideological chasm between SWA/Namibia's major white political parties was spotlighted last week at their annual congresses held simultaneously for the first time.

While delegates at the DTA-affiliated Republican Party congress called for faster internal change, some members of the SWA National Party were pressing to have the political clock turned back.

Significantly, the more radical discussion points at both meetings did not emerge as resolutions — the parties' leaders seemed to play forceful roles in restraining and tempering some tough liberal and right-wing views.

Republican Party leader, Mr Dirk Mudge, doused several fiery liberal cries from the floor, aired by party members clearly impatient at the pace of development in SWA/Namibia.

He braked, for instance, the proposal of introducing a national flag and other non-South African symbols, and the scrapping of "unacceptable" names such as J G Strijdom Airport, Verwoerd Park, and Republic Road.

Mr Mudge cautioned against too much haste, gently goading his suppor-

ters into accepting a Council of Ministers or "Cabinet" committee to investigate the question and produce a satisfactory solution.

He dealt equally adroitly with other points, such as why a black person did not address his party's congress, giving him the appearance of a conservative among some in his own all-white ranks.

Delegates generally poured out their concern at the lot of black people in SWA/Namibia. All agreed to appeal to the Ministers' Council to rid the territory "as quickly as possible" of all vestiges of discriminatory legislation and practices.

The cases of Dan Seemuller, a "coloured" German-speaking immigrant who has been barred from a white preparatory school run by the second-tier administration for whites, and a Windhoek restaurateur who does not admit black customers, were mentioned as examples of ongoing apartheid.

Said one prominent delegate: "The black man in Owambo knows apartheid has been scrapped in Windhoek because he has heard this. But not where he is. He does not feel the effect of what we are

trying to do," he said.

The delegate went on to suggest the creation of regional watchdog offices

to ensure that the DTA-dominated interim government's changes were implemented. This would prevent "kingdom building" by those officials who were perpetuating the status quo in those northern regions.

Mr Mudge went to great lengths to explain his delicate position as leader of SWA/Namibia's interim government, introducing a note of dampening sobriety to the more zealous elements in his party.

He even gave the assurance that the interim central government was not interested in cutting the powers of the second-tier ethnic authorities, thus allaying SWA National Party fears for their authority via the white administration.

But he did occasionally snipe at the National Party, strongly suggesting that the ethnic election for the white administration last November — won by the territory's National Party — contained several irregularities.

Commenting on the "hopeless" state of the voters' roll at the time, he said: "If I was as lenient

in an election with Swapo, our chances of winning would be extremely slim."

He noted that the Republican Party had nonetheless, after little more than three years in existence, won 42 percent of the votes, while the National Party had taken 48 percent.

On the issue of an internationally - supervised independence election, Mr Mudge stressed that the DTA had accepted resolution 435. But pre-election constitutional guarantees were not enough — the DTA wanted a free and fair election.

In contrast, the new chairman of the SWA National Party, Mr Kosie Pretorius, said the whites of SWA/Namibia would not accept a one-man-one-vote election.

He was apparently alluding to his party's belief in a consensus system, conducted on an ethnic or "Turnhalle" basis at the first level of government.

"We are not prepared to give way on our view on the existence of a variety of nations (volke)," he said.

On a strong note of conciliation towards the South African government, pointing to stormy behind-the-scenes conflict with Pretoria in the past, Mr Pretorius said:

"We must orientate ourselves. We must be prepared to take the hand of friendship South Africa is again now offering us. But as equal partners, and also that we hold one another's hand to the end."

Much of the National Party's congress deliberation was held behind closed doors, including

many of the discussion points. The reason given for this was that the leadership could not address itself "freely" to these issues in the delicacy of the present situation.

It seems highly unlikely, however, that Mr Pretorius would have allowed a resolution calling for the disqualification from any future white ethnic election of a white person who married across the colour-line, to be passed by congress.

The feeling here is that the leadership on both sides was hampered by the current negotiations between the Ministers' Council, the white administration, and the administrator-general, Mr Danie Hough, on certain major issues. Neither leader wanted to be accused of bedevilling the talks.

At issue are: a further imminent transfer of powers from the Administrator-General to the Ministers' Council, the occupancy of South West Africa House, where the outgoing white executive committee chairman, Mr A H du Plessis, stays, the Tinten Palast, traditional government buildings in Windhoek, now occupied by the white administration, the Seemuller case, and the whites-only Teachers' Training College which the Council of Ministers wants opened to all races.

The National Party and Republican Party have both called for a united front against Swapo. The question is whether they can bridge the ideological gap to form that force. Many differences have to be overcome before that can happen.

GENERAL LLOYD DISCUSSES IMPLICATIONS OF BROADER WAR

Windhoek THE WINDHOEK ADVERTISER in English 11 Aug 81 pp 1, 3

[Text]

WINDHOEK: Security Forces in SWA were preparing for an intensification of the military conflict in the war zone on the territory's northern border region with Angola, the Officer Commanding the SWA Territory Force, Major General Charles Lloyd, said yesterday.

As long as the war was confined to fighting Swapo insurgents there would be a slim chance of the armed struggle becoming conventionalised.

"But if the MPLA along with Cubans, begin to protect Swapo, we will unavoidably have to cross swords," General Lloyd told a news conference.

The deployment of Sam 3 and Sam 6 radar - controlled missiles at Mocamedes and Lubango in southern Angola would create an air umbrella that aided Swapo forces, he said.

"Since our recent successes against Swapo, the Angolan Government has been quick to express solidarity with Swapo," General Lloyd said.

"We are aware that those forces in Angola that could try to prevent our actions against Swapo base camps used to be stationed far north of the border," General Lloyd said with reference to the MPLA and Cuban bases.

"Now that there are missile and radar-tracking stations at Mocamedes and Lubango, it seems that an air umbrella is being created to help Swapo

and restrict our air force."

Major General Lloyd said a major problem facing Security Forces at this stage was that "we do not want to get involved with the MPLA, but we have to attack Swapo concentrations in Angola to protect the peace in SWA."

SERIOUS WAR

"We are therefore preparing ourselves mentally and physically for a more serious war."

Asked whether that meant the insurgency war was escalating into conventional warfare, General Lloyd said it all depended whether the Cuban and Angolan forces were interested in "adventures."

"As long as we fight only Swapo, the chances are slim that the conflict could turn into conventional war. But if the MPLA and the Cubans join forces with Swapo and interfere, we can expect a serious escalation," he said.

"It all depends on the other

side. We are preparing for that eventuality."

General Lloyd said rumours that Security Forces were readying for an invasion of Angola were "definitely without foundation."

"But we are preparing for a more serious conflict," he added.

In reply to a question, General Lloyd said he could see no other option but to pursue follow-up operations into Angola against Swapo.

"We have to attack Swapo's camps on the other side of the border to protect the Territory and we will continue to destroy their home bases."

It was contrary to top Defence Force policy to attack civilian targets.

"We do not attack civilians, we avoid the MPLA wherever possible and we are not destroying the infrastructure of southern Angola."

In response to reports that Security Forces had sent heavy tank-recovery vehicles to the operational area, General Lloyd said normal replacements were being made.

ROUTINE

"Equipment has to be replaced as a matter of routine and there is nothing to support rumours put out by the enemy that we are preparing for an invasion," General Lloyd said.

After being approached by

newsmen to comment on General Lloyd's statement, the

South African Minister of Defence, General Magnus Malan, issued the following statement to Sapa:

"General Lloyd's statement about preparations for a war against Angolan and Cuban forces should not be considered as having any specific implications (betekenis)."

General Malan pointed out that any defence force should be prepared to defend itself against any potential danger or enemy.

He added: "It is a known fact that Swapo terrorists are increasingly calling for – and receiving – the support of Angolan forces and also that Cuban instructors are training members of the movement."

General Malan said it was therefore imperative that "we intensify our defence in SWA so as not to be caught un-awares, should the situation escalate through direct aggressive intervention by Angolan forces or Cubans."

He reaffirmed that South Africa wanted to live in peace with its neighbours and did not seek war with them.

"However, South Africa is committed to safeguard the peoples of SWA, and will therefore eradicate terrorism and will pursue terrorists, wherever they might flee, to make them pay for their deeds," he said.

MPLA ESCALATES CONFLICT WITH MISSILES, RADARS

Windhoek THE WINDHOEK ADVERTISER in English 10 Aug 81 p 2

[Article by Johann Van Heerden: "A Conventional War on Our Border?"]

[Text] WINDHOEK: Angola's MPLA government had deployed guided missiles in the vicinity of Swapo base camps in southern Angola and installed radar scanners for air surveillance, informed sources said in Windhoek on Friday.

The missile stations, constructed by Cuban and West advisers, were planned ground-to-be strung along the entire southern border of Angola.

Authoritative sources on military matters said the presence of radar-controlled to-air missiles and the prospect of direct Cuban involvement in combat indicated that the 15-year-old bush war in the border area between SWA and Angola was assuming the characteristics of conventional war-fare.

As evidence of a looming escalation in hostilities, military observers in Windhoek attach special significance to a statement issued earlier by the Of-

ficer Commanding the SWA Territory Force, Major-General Charles Lloyd.

Swapo would not succeed with "so-called new techniques," General Lloyd said.

"The South African and SWA forces are ready to intensify its war effort and to increase the levels of its fighting forces if required," General Lloyd said.

He did not elaborate, but earlier reports said the Angolan Government had informed Washington that the Cuban forces would stay in Angola and in future back up Swapo insurgents for as long as the implementation of UN Security Council Resolution 435 remained in abeyance.

The Angolan communication was in response to a similar diplomatic note from the Reagan Administration protesting the presence of Cuban military forces in Angola.

The Angolan representative

at the UN said last week his country reserved the right in terms of the UN Charter to call on its allies to help defend the territorial integrity of Angola against alleged invasions by SA.

Angola has insisted that SA occupied a large section of Cunene province in southwestern Angola, but SA has equally consistently denied that it was engaged in large-scale incursions into Angola.

Security Forces were merely launching follow-up operations aimed at destroying Swapo camps, SADF spokesman said.

Escalation of the war this year has so far claimed the lives of about 1 000 people. About 800 members of Swapo's PLAN died in clashes with Security Forces, while almost 140 civilians died in landmine explosions, killings by Swapo and cross-fire in the war zone.

The death toll among Security Forces is 29.

CSO: 4700/351

SECTOR 30 TRAINS RURAL POPULATION TO COMBAT SWAPO

Windhoek REPUBLIKEIN in Afrikaans 20 Jul 81 p 2

[Text] Sector 30 commander Col J.T. Louw declared Friday in Otjiwarongo that SWAPO's claim that it has widespread support among the rural population is a pure fabrication. The proof of this assertion is that large numbers of rural workers voluntary join the army for training.

Col Louw was showing a group of correspondents around Sector 30 and was explaining the role of the unit.

He said Sector 30 exists to protect people's lives, principally in the northern regions of SWA. Although every soldier in the unit is not permanent but only part-time in the army, considerable success has already been registered against SWAPO.

He stated that they are now in the process of setting up an area force unit in Damaraland and in Hereroland-West. There is also a plan to establish a unit at Uis for later incorporation with Damaraland.

Col Louw said that a whole group of operational bases comes under the jurisdiction of Sector 30. The personnel who man the bases are called up monthly. According to Col Louw Sector 30 is also the first unit to begin training non-whites.

Col Louw further asserted that the end result of the area forces in SWA has been very effective. SWAPO has been severely handicapped in shifting its positions south of the Ovambo line because farm owners as well as farm workers are equipped with the necessary knowledge for doing battle. During periods of infiltration they patrol the farms themselves and if they run into trouble they courageously combat the terrorists.

"SWAPO doesn't engage anyone who can hurt it. That is why SWAPO will never be able to militarily win the war in SWA," said Col Louw.

He also explained that no schooling is needed for anyone who is interested in being trained as an area force soldier. The farmer he works for, however, must consent and also declare that he is trainable.

Col Louw said that the rural population deserves most of the thanks for the success enjoyed by the SWA territory force. There is very good cooperation between the forces and the local population. That is why SWAPO is being effectively combated, he said.

CSO: 4701/20

BRIEFS

OFFICERS DIE IN PLANE WRECK--Windhoek--Two officers of the SWA Territory Force died and another was injured on Thursday, when a light aircraft crashed shortly after take-off near Gobabis. Colonel Johannes "Koot" Theron, (65), Officer Commanding Sector 50, and Lieutenant Josef Fourie, (41), pilot of the Cessna 172, died in the wreckage when the plane caught fire after the crash. A second passenger, Major Johannes Craill, is in Gobabis Hospital suffering from burns. [Text] [Johannesburg THE CITIZEN in English 15 Aug 81 p 3]

NAMA ARMY UNIT--The Nama Legislative Assembly is to have its own military unit from the end of the month. The Namaland Area Defence Unit will have a passing out parade on July 30 at Keetmanshoop. The troops have undergone their basic training at Keetmanshoop at the headquarters of Sector 60 at headquarters of Sector 60 [as printed] under the command of Colonel D.J. de Villiers. The proceedings will start at 08 h 30 when visitors will arrive followed by the new company coming on parade and a drill performance. The dignitaries at the salute and the march past will be Colonel D.J. de Villiers and Mr Daniel Luipert, Member of the Ministers Council. [Text] [Windhoek WINDHOEK OBSERVER in English 1 Aug 81 p 27]

GRU OUSTS KGB--After the mysterious recall from Lusaka (Zambia) of ambassador Vasily Solodovnikov (KGB), Moscow's hitherto strategic brain in southern Africa, Moscow shifted its headquarters closer to the borders of the Republic of South Africa and SWA/Namibia, i.e., to Gaborone (Botswana). At the same time the KGB (Russian secret service) was stripped of its power which was handed over to the GRU (military intelligence). Moscow's new "Big Boss" in the struggle for South Africa is the Russian ambassador to Botswana in Gaborone: Yuri Petrow. Petrow is "military intelligence." [Text] [Windhoek ALLGEMEINE ZEITUNG in German 31 Jul 81 p 2 DER WOCHENSPIEGEL Supplement]

CUBANS IN SOUTHERN ANGOLA--15,000 Cubans have been transferred to southern Angola, ostensibly to battle UNITA. [Text] [Windhoek ALLGEMEINE ZEITUNG in German 31 Jul 81 p 2 DER WOCHENSPIEGEL Supplement]

CSO: 4720/5

NEW NNPC DIRECTOR HOLDS FIRST MEETING

Decision-Making Process

Lagos DAILY TIMES in English 4 Aug 81 p 5

[Text]

THE new Chairman of the Nigerian National Petroleum Corporation (NNPC), Mr. Horatio Agedah, yesterday met behind closed doors with top officials of the corporation.

In a statement issued at the end of the meeting, the corporation said Mr. Agedah told the management staff that although he was a newcomer to the oil industry, he had been following events in the industry closely.

He was quoted to have told the employees who came in from the various oil installations in the country: "We will have to rely on you as professionals for advice

in formulating policy decisions.

"Some of these decisions may not be favourable to you, but the board has to bear in mind national interest and international considerations in determining policy."

Mr. Agedah further told the managers that the nation relied on them at "this time when the country's enemies are trying hard to embarrass the nation and the corporation because of the oil glut."

The new managing director of the NNPC, Mr. Lawrence Amu, attended the "familiarisation meeting."

Comment on Oil Policy

Lagos BUSINESS TIMES in English 3 Aug 81 p 3

[Article by Onyema Ugochukwu]

[Text] When in June the Business Times published an article warning about the consequences of the present world oil situation for Managing Director of the Nigerian National Petroleum Corporation, Mr Odoliyi Lolomari called a press conference at which he said in effect that there was no cause for alarm.

The way he saw it, predictions of adverse consequences were part of a propaganda by the Western Press to stampede Nigeria into reducing the price of her oil from 40 dollars a barrel to 36 dollars.

The existing oil glut, he argued, was largely due to Saudi Arabia's refusal to cut down her production by two million barrels a day which it had added in 1979 in an effort to alleviate the supply shortages that had resulted from the Iranian crisis and later the Iraq/Iran war.

The sharp decline in Nigeria's exports since this year he attributed to the fact that buyers had anticipated that OPEC would reduce prices at its last meeting in May and so decided to wait until the price-cuts were made before buying.

When OPEC decided not to cut prices, the buyers started coming back, he claimed. And as a proof of this claim, he said that Nigeria's production (which had averaged 1.1 million bbl/day during the first two weeks of June) had picked up sufficiently in the last weeks of the month for the average for the whole of June to rise to 1.45 million bbl/day.

Glut

In effect then, all Nigeria had to do was keep a stiff upper lip and not succumb to the Western propaganda until the glut, which he described as temporary, was over.

Government officials soon also took the same line, and worried citizens quickly relaxed.

But continuing events seem to suggest that the nation has perhaps persuaded itself too easily that there is nothing to worry about, and has consequently assumed a position of security that is bound to become untenable all too soon.

While it is true that the Saudi refusal to cut down is largely responsible for the glut, it is also true that the other OPEC members have so far failed to persuade them to change their mind. The superfluous Saudi oil therefore seems likely to remain in the market for some time.

Also, while it may be true that some buyers of Nigeria's oil came back when OPEC did not cut prices, it does seem too that these were fewer than those who did not; and that some stayed for a short while.

First, production did not rise sufficiently in June to raise the average for the month to the 1.45 million bbl/day claimed by Mr Lolomari. According to industry sources, the average for the month was 1.35 million bbl/day.

Temporary

Secondly, instead of the rising trend that should have followed, production took a sharp dip in July. Again according to industry sources, the average for the month was below 1.0 million bbl/day, and indeed for most of the month was at 0.9 million bbl/day.

Then there is the question of how temporary, Mr Lolomari's "temporary" is, and how many months of depression may be considered insignificant for Nigeria.

Most experts in the oil industry expect that demand should pick up later in the year. The few who agree to name date say October or November.

Assuming that things do look up by October, that will mean that Nigeria's oil output would have been substantially below target for seven months of the year.

Revenue

Going by present trends, and assuming the improvement if and when it comes, will be substantial, the production shortfall for the whole of 1981 could range from 20 to 30 percent. In revenue terms, this could mean a shortfall in anticipated earnings of between N2.4 billion to N3 billion.

Judging by the country's overwhelming dependence on oil revenues, "temporary" has to be a strictly limited time. With present production levels below 1 million bbl/day, "temporary" should not in fact have to exceed two months to have a significant impact on revenues.

Indeed the impact of the depression so far is already evident, although some people pretend not to recognise it. Almost all state governments are complaining that their shares of revenue are not flowing in, in the projected amounts. But while only one governor has so far publicly acknowledged the cause of the problem, the majority have chosen, for reasons known to them, to complain that the Federal Government is withholding the money, presumably because the President hates them.

Implication

What may be deduced from all the foregoing therefore, is that Mr Lolomari got his picture of the situation all wrong, and by implication any advice he might have given to the government on how to address the problem would be wrong.

But that would be quite surprising considering the number of well-respected experts in the N.N.P.C. addition, we are aware, have had a clear picture of the situation all along and what could be done about it.

One then is left to suspect that what Mr Lolomari expressed was probably not the views of his experts. But the question then is, whose views?

This naturally takes us to the question of who makes Nigeria's oil policy, that is insofar as it may be said that such a policy exists.

As at now, the President is effectively the Minister of Petroleum. He has to assist him the services of the Presidential Adviser on Energy and his staff. The office of the Presidential Adviser, for all intents and purposes, may therefore be considered to be a policymaking body.

Then there is the board of directors of the NNPC. Admittedly the NNPC has not had a board for quite some time. But now that one has been appointed, it may be assumed that as boards of directors have traditionally been, will also be a policymaking body.

Then we have the management of the NNPC which in the absence of a board, may have performed policymaking functions, but which strictly speaking, should not be a policymaking body.

Indeed, we appear to have a superfluity of policymaking bodies. But as far as anyone can see, we do not appear to have an oil policy. All we seem to have had, right from the oil depression of 1976/77, are a series of reactions to events in the world oil market, which unfortunately do not add up to a policy.

Experience

The result of this lack of a policy is that in spite of having gone so painfully through the oil-induced problems of 1978/79, we are not in a position to go through the present oil problems a little bit less unhappily. If anything, such illusions of security as provided by Mr Lolomari's June press conference seem certain to assure that the present experience will be more painful than the last.

From all indications, we are even preparing to come up with a policy that will insulate our economy from the "temporary" depressions in the world oil market.

Evidence

The office of the President which is the premier policymaking body is not so apparently, blessed with experts in the oil industry. The board of the NNPC recently appointed, cannot claim any substantial expertise in the field either, while the management of the NNPC, where the expertise is, is not a policymaking body.

This structure of things, apart from slowing the reactions of the executive body, the NNPC, to events in the oil markets, also assures that the attitude we adopt may not be the best solution to our problems. And if evidence of this were needed, the present approach to our predicament would suffice.

CSO: 4700/346

POLEMICS BETWEEN IMO, RIVERS STATES CRITICIZED

Lagos DAILY TIMES in English 1 Aug 81 p 3

[Editorial: "Dangerous War of Words"]

[Text]

FOR quite some time now, a war of words has been going on between the Imo and Rivers States, mostly channelled via the government-controlled media of mass communication. Lined up on one side are the Nigerian Statesman and the Imo Broadcasting Service. On the other side are to be found the Nigerian Tide and the Radio Rivers Two FM Stereo. Between the four of them, they have done so much to poison the air with base propaganda and open incitement.

Of course, there are issues behind this case of rank media degeneracy. These issues are at once historical as well as contemporary. The thorniest of these has been for so long, the sad question of the Abandoned Properties in Rivers State.

Only recently, there was much-orchestrated settlement of this matter in a meeting President Shahu Shagari had with the cohorts who should have abided by the agreements reached at that most commendable Presidential initiative.

However, the abandoned property question is only the central issue. From it has radiated a number of petty side-issues that border on the ethnic and the trivial. Indeed, some of the sentiments being bandied about on both sides are so banal and mundane that one wonders how such views could attain the honour of appearing in print.

We sound a note of alarm at this stage if only because history must never be allowed to repeat itself. Communal misunderstandings in the past were permitted to deteriorate to a level where dogs, so to say, had to eat dogs. Then, the problem had been looked upon as isolated. But festering sores could spread cancerously — and fatally. This nation, having suffered the traumas of early nationhood not too long ago, cannot afford to see her citizens, belonging to two states purely by reasons of accident of birth and residence, organised to hate and despise one another.

Both Governors Sam Mbakwe and Mel-ford Okilo will have to ensure that the present bad blood does not lead into chaos. This is despite the fraternal appearances they present in public. They both have all the opportunity to install a mood of goodwill and a sincere desire to mutually settle once and for all, whatever they feel is at stake.

The state of no peace and no war cannot long be tolerated. It is certainly not healthy for this country. In fact another initiative by the President is certainly not out of place. For, the peace and stability of this nation should no longer be left threatened from any quarters. The goings-on in Imo and Rivers States are certainly dangerous and must be halted.

SUNMONU WARNS AGAINST SPLITTING UNION ORGANIZATION

Visit to Enugu

Kaduna NEW NIGERIAN in English 31 Jul 81 p 11

[Text]

NIGERIA Labour Congress [NLC] says it would embark on an indefinite industrial action if the National Assembly repeals the 1976 Labour Decree.

The threat was issued in Enugu by Mr. Hassan Sunmonu, President of the NLC this week when he paid a courtesy call on Mr. Ifeanyi Chukwu, Speaker of Anambra State House of Assembly.

Mr. Sunmonu, who disclosed that the executive of the congress was on a tour of the four eastern states to explain the system of operation of the NLC, accused the Federal Government of trying to impair the solidarity of the Nigerian workers.

He warned that the Nigerian workers would never accept going back to where they were five years ago.

The NLC he said, would fight constitutionally to keep the Nigerian workers united. He warned that if they failed in that, they would embark on an indefinite industrial action.

He said that the United States from where Nigeria copied her

constitution, had one trade union organisation "so are West Germany and Great Britain".

Mr. Benson Onwasi, Secretary, Anambra State wing of the NLC also told the speaker that the state was cooperating with the NLC adding that the state government had given the state wing of the Congress 50,000 Naira with which to run the affairs of the congress.

He told the speaker that whatever Mr. Sunmonu said was the wish of the Nigerian workers.

Mr. Onwasi appealed to the state government to look into the welfare of their workers by providing them with car loans, accommodation and other incentives.

In response, Mr. Enechukwu called on the Nigerian workers to show greater interest in the legislative by cooperating with them.

He warned that Nigerian labour leaders should abstain from partisan politics and also warned that any attempt to split the workers' union would not be in the best interest of the country.

Kaduna NEW NIGERIAN in English 31 Jul 81 p 1

[Editorial: "Sunmonu Threatens"]

[Text]

MR. Hassan Sunmonu's latest threat to call out workers on a nation-wide strike if the laws creating the Nigeria Labour Congress and the compulsory check-off system — Trade Union Acts 22 and 21 of 1978, respectively — were debated with a view to amending them must have been the product of the feeling of invincibility given to him by his success after his encounter with the Federal Government over the minimum wage issue last May. That he quickly capped that threat with an appeal to the public to prevail on the House of Representatives not to consider the executive bill on the two acts seems, however, to suggest that Mr. Sunmonu is aware of his limitations.

The reasons that have prompted the Federal Government into proposing the amendments to make trade union movement in the country more democratic may not go down well with the NLC and its blind supporters. To the latter, the amendments are simply designed to weaken the NLC by making its membership among workers voluntary. While this may be a final outcome which the government may not be unaware of, it is by no means the most important. The new law seeks to free industry and

governments — the very sources of workers' sustenance — from frequent disruptions by a central labour organisation.

Opponents of the amendment bill argue, sentimentally, that labour must not lose the gains it had made in the last five years in one fell swoop. But they have no solution to intimidation suffered by workers who are often dragged into strikes, sometimes illegally, with little or no information about the cause of the strikes, or their objective, simply because they belong to a central organisation. The same workers always bear the brunt of the actions of irresponsible leadership. If these are the virtues of a central labour union the workers and the nation can do without them.

What is more, all the claims of the NLC leadership to work towards the improvement of the lot of its members are, of course, hollow. Already some employees of some state governments have not had their salaries for two months. The new minimum wage is a curse rather than a blessing. This is what the NLC has brought to the workers this year. How the governments and other employers are going to fare the workers will soon find out.

LIBYAN STRATEGY IN AFRICA DISCUSSED

Lagos DAILY TIMES in English 5 Aug 81 p 8

[Article by Obika Isienyi]

[Text]

THE Libyan leader, Colonel Muammer Gaddafi, has employed a variety of methods to ensure his incursion into other nations. These cover a wide range of covert and overt attempts to implant his own nationalistic goals inside the boundaries of other sovereign states.

Chief among the institutions he uses for subversion abroad, is the Libyan Islamic Call Society or (Al-Dawa).

The activities of the society include political action and financial support and training for foreign students and others.

Al-Dawa is engaged in the production and distribution of various types of disinformation, such as printed materials, deceptive plots, and rumours designed to destabilize countries opposed to Gaddafi. Al-Dawa finances seminars and travels of potential dissidents (as well as pro-Gaddafi Libyans living abroad), and supports various elements currently engaged in opposition to their own states. Recently, Al-

Dawa recruited students from various countries and brought them to Libya to study terrorist techniques, including the manufacture of hand made dynamite.

Goals

These students are scheduled to return to their own countries, armed with new skills and zeal, to further the disruptive goals of Gaddafi's personal Jihad against all states which do not fit into his Jama-hiriyah ideal — including other Islamic states.

Islamic centres have been established in numerous countries, as part of the work of the Al-Dawa, to promote the strengthening of Islam.

Most of these centres have in addition to mosques, schools, and radio stations, all financed by Al-Dawa.

Yet this too has been done with different aims than those openly stated. The centre in Niamey, Niger for example, was opened as a vehicle to purchase the goodwill of the government and hopefully to increase the

possibility of securing Uranium supplies for Libya's nuclear weapons projects. What Gaddafi has been unable to obtain through overt military aggrandizement, he has pursued by spreading a cover or apparent islamic goodwill over his true intentions.

In fact, Gaddafi shows a disregard for true Islam by utilizing the Al-Dawa — designed to seek converts to Islam and further the goals of the Prophet Mohammed — as an agency through which to increase his personal hegemony, and to support movements seeking to destabilize legitimate governments within the Sahel and other areas.

The colonel has utilized defence agreements, such as those entered into during the Mid-1970s by Guinea, Togo, and Niger. Niger quickly left this agreement, when in 1975 Libyan troops occupied an area inside its borders. Apparently Libyan views of mutual defence were different from

those of the Nigerians Chadian President Goukouni Weddeye, however, has less chance of withdrawing from "Libyan defence" than did Niger.

More than one dozen Libyan regular army battalions — not including two additional special commando battalions and an artillery company — are currently stationed in Chad.

Together these units total about 7,000 troops, and are positioned along two North-South of Chad. One of these Axes parallels the Chad-Niger border and dominates the western portion of Chad, while the other is directed against resistance forces in the East — and against possible Sudanese military action. These two axes are positioned not only to help Gaddafi maintain control over his activities in Chad, but also to provide for him the capacity to push further south for additional annexation or aggrandizement. By developing axes of military strength the Libyan leader is able to stabilize his supply lines and communication systems which would be necessary should — or when — he decides that the appropriate time has come to extend his hegemony.

Further, Gaddafi has the possibility of moving his axes laterally across the Chad-Niger border, through Niger toward Mali, Upper Volta, and other West African states.

Libyan troops have not been arrayed to confirm a substantive withdrawal from Ndjamena, their pro-forma "withdrawal" along the western axis could easily be turned around for re-entry into the Chadian capital and for close access to Northern Cameroon. In fact, Gaddafi has made no withdrawal: His actions are merely a periodic rotation of tired military units from the occupied capital who are replaced with fresh troops.

In support of his goal of an Arab-African state, he has initiated patronage of the nomadic Toureg tribesmen who live throughout the Sahelian states. Although these Toureg are a berber people, Gaddafi claims that they are in fact ethnic Arabs and should be regarded as Arabs in general, and Libyans in particular.

Since they are "Libyans", he claims the right to defend them and promote their affairs as he sees appropriate. For example, to strengthen his 1975 claim to parts of Niger, he complained that the government of Niger was mistreating these nomadic people, and announced his support of the previously unknown "front for liberation of East Sahara". The only "liberation" that could possibly take place would be the forced Libyanization of Malian, and Nigeria citizens from their legitimate sovereign states with which Gaddafi disagrees.

While other muslim African states are not as directly affected by Libya's expansionism as is Niger, their turn to confront Gaddafi directly could come. Should Libya remain unchallenged, Gaddafi's aggressive push could reach even farther into Niger — bringing the "Libyan" border to Mali, Upper-Volta, Benin, Togo and Nigeria. Currently, Libya has already occupied portions of Northern Chad. With Soviet and East European military assistance and guidance, he may see little reason to be satisfied with the annexation of only Chad.

His personal frustration with failed mergers with Egypt, Tunisia, Sudan, and Syria is likely only to increase his interest in merging Libya with other — more accessible — states.

Merger

(The proposed merger with Syria is currently snarled up due to Syrian refusal to defend Libyan Sam-missile batteries in Lebanon which have been decimated by Israel aerial sorties).

If Niger's neighbours wait until the wolf is at their own door, it could be too late for them to mount the needed opposition. The time for sharing Nigerian and Chadian sentiments about Libyan aggression and occupation is now, while Libya is still contained within the boundaries of only two states.

NIGERIA

BRIEFS

THIRD INFANTRY DIVISION RENAMED--The General Officer commanding 3rd Armoured Division, Nigerian Army, Jos, Major-General G.O. Ejiga has said that the country's army is now going more mechanised, to meet the demands of modern warfare. In this regard, General Ejiga said, his division, hitherto known as 3rd Infantry Division, has now been re-equipped and re-christened to the 3rd Armoured Division of the Nigerian Army. The expanse and command area which earlier stretched from north to south embracing six states in the country, he said, has now been reduced by two for operational and administrative convenience. Making this known at what he described as "the naming ceremony of the 3rd Armoured Division of the NA" at a press conference in Jos recently, General Ejiga explained that this was because the army in the country must move with the time. He pointed out that the various wars we read in history books of the previous centuries emphasised the need placed on the Infantry soldier. The GOC then lamented that apart from Plateau state, which faired well, other northern states have not been filling their quota in the Nigerian Army. He said that the idea was for a more balanced representation in the army for the future stability of the country and elicited the cooperation of the various governments to fill their quota in the army without any delay. General Ejiga then expressed happiness on the continued existence of mutual understanding between the military and the press on one hand and the general public on the other. [Text] [Kaduna NEW NIGERIAN in English 3 Aug 81 p 25]

MOSCOW BOOK FAIR INVITATION--A Nigerian author and publisher, Chief Arthur Nwankwo, has been invited by the Soviet Government to participate in this year's Moscow International Bookfair taking place in Moscow from 2nd to 8th September, 1981. During the visit, Chief Nwankwo would use the opportunity to tour various industrial and technical areas in Moscow. He would also discuss with eminent Russian authors and publishers on how best both countries can assist one another in the publishing industry, especially technical books which are needed to propel the Nigerian technological transfer process. [Text] [Lagos DAILY TIMES in English 4 Aug 81 p 31]

GNPP MEETING--The National Executive Committee (NEC) of the Great Nigeria Peoples Party (GNPP), has reaffirmed its absolute and implicit confidence and support in the leadership of their National Chairman, Alhaji Waziri Ibrahim. In addition, the NEC confirmed the expulsion of ten of its members in the National Assembly from the party. They are: Senators Mahmud Waziri, Bitrus Kajal, Ja'afaru Managga, Umaru Lawan and Bukar Sanda. Others are Madu N. Ngram, Umaru Sarkin Magori, Mohammed Samaj, Isa Abdullahi Barau and Alhaji Hamidu Marafa Gwanda. A communique

issued at the end of their one-day closed door meeting in Jos, capital of Plateau State, last Wednesday, explained that the members were expelled from the party because of their alleged anti-party activities. It alleged that the expelled members portrayed themselves as agents of the National Party of Nigerian, NPN, in order to destabilise the Great Nigeria Peoples Party. The communique which was read to newsmen by the newly elected National Secretary General of the Party, Alhaji Sake Layona, declared the meeting being called upon by the expelled members as unconstitutional, illegal, null and void. It described the purported meeting called by the expelled members as a calculated attempt to deceive and misdirect GNPP supporters in the country. The NEC meeting which took place at the Plateau Hotel Rock Garden was presided over by the National Chairman, Alhaji Waziri Ibrahim. Those in attendance included Governor Abubakar Barde of Gongola State and the Majority leader of the Borno State House of Assembly, Alhaji Abdulrahman Darman, as well as top party officials from all the 19 states of the federation. [Excerpt] [Kaduna NEW NIGERIAN in English 3 Aug 81 p 3]

PROTECTION OF CAMEROON BORDER--The Federal Government has been urged to demand the immediate withdrawal of Cameroun gendarmes from the border areas with Nigeria as the only way of putting a permanent end to the wanton killing of Nigerian fishermen by the Camerounians. The call was made by the Chairman of the Cross River State Fishermen Association, Mr Afat Edem Udofia, when members of the association called on the state Governor, Dr Clement Isong, in his office in Calabar. Mr Udofia also called on the Federal Government to "maintain an effective presence in the border areas to give adequate notice to the Camerounians of Nigeria's determination to protect her territorial integrity." He announced that Nigerians living and fishing around the country's borders with the Cameroun Republic were in total support of the Federal Government's decision to seek a diplomatic rather than military solution to the border problem between the two countries. Members of the association, he disclosed, pledged neither to "violate Camerounian boundaries nor engage in any acts not in the interest of Nigeria." Mr Udofia then expressed the hope that the Federal Government would not relax its effort to protect members of the association from harrassment and molestation from Cameroun gendarmes. Replying, Dr Isong sympathised with the fishermen for all the indignities which they had been undergoing in the hands of the gendarmes. He told the delegation that both the state and the Federal Government had taken a number of steps to halt such harrassment from our borders. One of such steps, he said, was the setting up of new local government areas close to the borders. [Excerpt] [Kaduna NEW NIGERIAN in English 31 Jul 81 p 20]

TEA PROCESSING FACTORY--Production of tea in the country is expected to begin in October, this year, by the Nigerian Beverages Production Company (NBPC) based in Yola, Gongola State. Construction and installation of equipment and machinery for the tea processing factory on the Mambilla Plateau have virtually been completed. The contract was awarded to Sahel Construction Company in November 1979 at the cost of 2.6 million Naira. The Project Engineer, Mr A. Braconi, told a group of journalists in Gembu that the finished product of the NBPC would be in our market before the end of the year in accordance with the company's objective of meeting our local demands for the commodity. Mr Braconi stated that 3.6 million Naira had so far been expended on the project for the construction of factory buildings, supply, installation and commissioning of the tea machinery as well as the development of the plantation. The development of the plantation,

he explained, was being carried out in two phases. The first phase will cost about 1.5 million Naira and the second phase will cost 2.7 million. The project manager stressed that the product of the company would compare favourably with any other tea imported into the country. He hoped the company would supply half and eventually all of our tea requirements in the country, when fully operational. The NBPC is a joint commercial venture between the Federal Government which has 50 percent share, the Gongola State Government with 25 percent and the Nigerian Agricultural Promotion Company (NAPC) with 25 percent share. According to the implementation programme of the project, the entire scheme would be financed with a loan of 7.7 million Naira granted by the Nigerian Agricultural and Co-operative Bank. [Excerpts] [Kaduna NEW NIGERIAN in English 3 Aug 81 p 32]

CHAD BASIN PROJECTS--The Federal Government has spent about 340 million Naira on the Chad Basin Development Authority since its inception in 1973. The chairman of the authority, Alhaji Abba Habib, told the News Agency of Nigeria (NAN) in Maiduguri that the amount was spent on the South Chad irrigation project, Baga folder project, underground water development and feasibility studies. Alhaji Abba also said that the authority produced more than 11,000 tonnes of rice, 10,000 tonnes of wheat and seven hundred tonnes of other grains. The authority, he said, had established some poultry projects which produce about 2,000 broilers and 36,000 eggs annually. He further said that the authority had completed engineering work on the first phase of the South Chad irrigation projects covering 22,000 hectares. The authority voted one million Naira for manpower training between now and 1985, he said. Alhaji Abba said the authority had trained about 95 percent of its staff in agricultural sciences and 50 percent of its tractors and plant operators. (NAN) [Text] [Kaduna NEW NIGERIAN in English 28 Jul 81 p 28]

COTTON PRODUCTION DECLINE--Delay in cotton sowing by farmers in the country was responsible for poor yields and decline in production. This was the finding of a lecturer of the Department of Agronomy, Ahmadu Bello University, Zaria, Dr V.B. Ogunlela. Dr Ogunlela said the recommended sowing date for cotton in the northern part of the country was middle of June. "But the farmers," he said, "do not plant cotton until July or August after planting their food crops." As a result of this, the cotton crops on farmers' plots suffer the fate of poor yields, he emphasised. Dr Ogunlela was delivering a lecture in Zaria yesterday at the ongoing in-service training for agricultural extension workers. He said research had shown that cotton sown in middle of June yields about 2,500-2,600 kilograms per hectare as against 200-400 kilograms per hectare yield from the plots of cotton sown by farmers in July or August. He further said that report had shown a reduction of between 11 to 20 kilograms per hectare for each day sowing was delayed. [Excerpt [Kaduna NEW NIGERIAN in English 29 Jul 81 p 1]

JAPANESE LOAN--Japan is to loan Nigeria about N44 million for the implementation of the lower Anambra Irrigation project. The Minister of External Affairs, Prof Ishaya Audu and the Japanese Ambassador in Nigeria, Mr Kazuo Wachi exchanged the documents for the loan agreement at a ceremony in Lagos recently. The loan is being given through the Overseas Economic Co-operation Fund of Japan as part of Japan's economic co-operation with Nigeria. The disbursement period of the loan will be seven years while repayment period will be 20 years after ten years of grace. Interest rate will be 3.5 percent a year. Japan has before this time

given Nigeria other loans totalling more than N50 million for various projects including the Lagos-Kaduna coaxial cable, Nigeria Railway Corporation Expansion and the Kainji Dam. Grant aid and contribution had also been made by that country for marine fisheries Training/Research, electronic microscope and accessories for the University of Lagos and the International Institute for Tropical Agriculture (IITA). [Text] [Enugu DAILY STAR in English 29 Jul 81 p 3]

SORGHUM, CASSAVA FOR BEER--Sorghum and Cassava tubers might soon be used as the main raw materials for the production of beer in Nigeria. The Minister of State in the Federal Ministry of Industries, Dr I.J. Igbaní, gave the hint at Umuahia in Imo State during his visit to the Golden Guinea Brewery. He explained that an association known as the Brewery Research Group of Nigeria has already reached an advanced stage in its research into the use of the two new ingredients in the manufacture of beer. Earlier in his address, the chairman of the board of governors of the company, Dr Anthony Okafor, had told the minister that the brewery was being expanded to increase its present production capacity of 150,000 hectolitres to 600,000 hectolitres monthly. Dr Okafor complained that the major problem facing the brewery was inadequate power supply which had often caused production losses and damage to equipment. [Excerpts] [Lagos BUSINESS TIMES in English 3 Aug 81 p 30]

SUPPORT TO COCOA PRODUCERS--Governor Bola Ige of Oyo State has called on the Federal Government to pay about N80 million to cocoa producer states that have been entitled to such grants since 1978. He said it would be unjust and unfair if the proceeds from cocoa were being spent by the Federal Government to cushion other commodity prices. Governor Ige made this call in Ibadan when members of the Nigerian Cocoa Board called on him in his office. Chief Ige criticised the existing producer price for cocoa, adding that the price was inadequate in relation to the high cost of maintaining cocoa plantation. He argued that the establishment of the board was unconstitutional and its activities were, therefore, illegal. He said the Federal Government had no business with agriculture since it was a residual subject. Governor Ige pointed out that 15 states of the Federation had signified their opposition to the existence of the board. He promised that his government would set up its own cocoa board at the appropriate time to take care of the marketing of cocoa. Chief Ige, however, explained that his government had not relented in its aid of cocoa production in the state. [Text] [Lagos DAILY TIMES in English 1 Aug 81 p 18]

CSO: 4700/346

SENEGAL

BRIEFS

MR WADE WELCOMES FRENCH MOVE--Mr Abdoulaye Wade, the leader of the parliamentary opposition, the Senegalese Democratic Party (PDS) has welcomed steps by France's new government to improve the conditions of immigrant workers in France. At the same time, Mr Wade recognised France's right to curb increased immigration, because it was not right to "transfer our problems to other states." Mr Wade also welcomed changes in France's policies on development and cooperation, which would "no longer be aimed at using force to support governments in difficulty with their own people." [Text] [London WEST AFRICA in English No 3339, 27 Jul 81 p 1738]

CSO: 4700/344

NATION INVOLVED IN SEARCH FOR CHEAPER ENERGY

Victoria NATION in English 5 Aug 81 pp 1, 2

[Text]

AS THE world's industrial powers and the oil-producing nations continue to push up fuel prices between them — the present haggle over the oil glut is certainly not designed for the benefit of the poor and developing countries — Seychelles goes into the United Nations' Nairobi Conference on New and Renewable Energy, next week, searching for cheaper energy sources.

Though Seychelles' spearhead in this field — the Research and Development Unit of the Ministry of Planning and Development — is still at the pioneering stage, there are signs for optimism.

The Research and Development Unit is still setting itself on a firm footing and its two delegates to Nairobi, Dr. Selwyn Gendron and Mr. Peter Shilton, will try to entice major international research and experiments in alternative energy sources to Seychelles. Some 150 nations are expected to send delegations.

"We will be eagerly looking at what there is around in this field", the delegation leader, Dr. Gendron, told Seychelles Agence Presse, "and we are naturally interested in what other people can do to help us and in what they have achieved that can be adapted to our needs and resources".

The Unit is now actively establishing contacts with research institutes elsewhere, he added.

IDEAL BASE

Dr. Gendron pointed out Seychelles' advantages in trying to entice foreign and international research. Because Seychelles' energy needs are so low, given our relatively small size, it would be an ideal base for experiments by countries or institutions which would prefer to start on a small scale before developing or branching out internationally or industrially.

Through such co-operation Seychelles could save money, gain experience and scientific and technological skill, and, hopefully, hit upon a method that could be adapted to our use even if it did not prove feasible on the larger scale needed in bigger countries.

During the ten-day UN conference, from the 10th to the 20th, Seychelles will also put forward a national paper outlining the country's aims and ideas in energy planning, follow up contacts made by the Minister of Planning and Development, Dr. Maxime Ferrari, on his recent European

trip and examine progress on research already being carried out in collaboration with foreign research bodies.

SMALL ISLAND COMMUNITIES

In studying international progress in the quest for alternative sources of energy at the conference, Dr. Gendron and Mr. Shilton, will keep a special eye open for projects suited to small island communities.

While the Research and Development Unit has certain things in mind for reducing Mahé's petroleum-based fuel consumption, the emphasis is on the smaller, isolated outlying islands.

"We hope to look at the experience of other island states in the field of alternative energy", Dr. Gendron explained, "especially among the Pacific and, to a lesser extent, the Caribbean countries".

SOLAR PANELS

Already, through AIRDOI (Association des Institutions de Recherche et Développement dans l'Océan Indien),

Dr. Gendron has had the opportunity to study Mauritius' and Réunion's progress.

Of particular interest here are their results with solar panels which, Dr. Gendron points out, have been made here, and would be easier to maintain than on the other two islands, as we are not plagued by cyclones.

For the foreseeable future, the Unit sees little or no prospect in using wave energy as the Mauritian experience points to concrete structures — which have drawbacks from the tourism and conservation standpoints — and bigger, more regular waves than Seychelles seems to have.

COCONUT HUSKS

However, the Unit has special interest in the use of coconut husks or, because of the abundant supply on some outer islands, casuarina wood left over from sawmill operations. It is in connection with this that Mr. Shilton is already

in Nairobi setting up a pilot producer gas plant in the conference's exhibition.

Designed and built by Mr. Kjell Alfrensen under the supervision of the Swedish Berjes Institute, the plant is a small electricity generator using a car engine and wood chips and coconut husks for fuel. German and French bodies are also involved in the project, which could prove ideal for producing electricity on outer islands.

Added encouragement in this significant, practical step towards an integrated energy project for the country is a R. 2.5 million grant approved by the United Nations for the first three-year phase of the 20-year programme.

This first phase is devoted to the design of an alternative energy package of between 50 and 100 kilowatts for the outer islands. Wind, solar energy, biogas and biomass technology is also being considered.

SAP

NATION TO HOST INTERNATIONAL TOURISM

Victoria NATION in English 4 Aug 81 pp 1, 2

[Text]

SEYCHELLES is to host an international tourism marketing conference next month as part of the special Tourism Week.

Releasing the programme for the Week, planned in late September to mark a decade of the tourism industry in Seychelles, the Minister of Transport and Tourism, Mr. Matthew Servina, said over 100 international tourism-related organisations all over the world, including neighbouring government delegations from the Indian Ocean and Eastern Africa, are being invited to attend the conference.

The conference, opening at the Reef Hotel on Mahé on September 22, will last four days and is a follow-up to the

tourism marketing conference which was hosted by Seychelles last October.

Attending the conference will be tour operators, airline officials, travel agents and the travel press, among others.

Minister Servina said that he is also sending invitations to various national tourist organisations in the region.

The conference, to be chaired by the Tourism Minister, will hear progress reports since the 1980 conference and a Master Plan for tourism in Seychelles will also be presented.

Other talks will centre on the promotion of Seychelles as a tourist destination and analysis of holiday prices in Seychelles.

The Tourism Week will feature, among other things, cultural shows at the People's Stadium on September 22 and a two-day fishing competition starting at midnight on September 25—26.

An exhibition on ten years of tourism in Seychelles will take place on September 28 and the national Tourism Week will officially come to an end on September 29 with a grand musical festival at the People's Stadium.

Speaking at the tourism marketing conference last October, Minister Servina called upon neighbouring countries in the Indian Ocean and Eastern Africa to come together in a regional grouping for a package tourism undertaking in the interest of all people in the region.

NEW APPROACH TO COOPERATION WITH FRANCE REPORTED

Victoria NATION in English 4 Aug 81 pp 1, 2

[Article by Ronnie Jumeau]

[Text]

SEYCHELLES' first official contact with France's new socialist government was picked out by the Minister for Planning and Development, Dr. Maxime Ferrari, yesterday, as one of the most important events of his recent three-week visit to Western Europe.

Dr. Ferrari had an hour's meeting with Mr. Jean Pierre Cot, France's new Minister for Co-operation and Development, on his country's new approach to co-operation with the Third World. In this, Dr. Ferrari explained, France will now put more emphasis than ever on the mutual respect for another country's beliefs and rights. He expects future cooperation with France to be "more frank, friendly and solid".

In France, Minister Ferrari also saw a new, hour-long television film on Aldabra Atoll, which will be shown on the French network later this month. "It is, in my opinion, a very beautiful film that will promote very well the islands and our conservation policies," Dr. Ferrari observed.

Minister Ferrari then went on to Italy where, as happened in all the countries he visited, he met with firms and industrialists involved or interested in Seychelles. In Italy these included the owners of the Béolière Hotel and the firm carrying out the granite mining project.

The granite firm was very optimistic, Dr. Ferrari said, and was preparing to exhibit polished granite from Seychelles at an industrial fair in Verona next month. The exhibits will then move with the fair to Marseilles in France.

In Vienna our minister met with the Executive Director of the United Nations Industrial Development Organisation (UNIDO), Dr. Abdel Rahman Khane, after signing a loan with OPEC's (Organisation of Petroleum Exporting Countries) Fund for International Development.

UNIDO promised some R 800,000 to R 900,000 towards the boatyard projects for Praslin and La Digue.

The Austrian government, on the other hand, showed interest in Seychelles' offshore search for oil, while Austrian firms talked of potential co-operation in renewable energy projects.

While in London, Minister Ferrari also discussed general bilateral relations with the British Minister for Overseas Development and a junior minister for foreign affairs.

CREOLE RECOGNIZED AS NATION'S FIRST LANGUAGE

Victoria NATION in English 1 Aug 81 pp 1, 2

[Text]

THE LANGUAGE question has finally been decided. It is now official that Creole is the first national language of the Republic, English second and French third. The decision to make Creole the first national language was taken at the third annual national Congress of the Seychelles People's Progressive Front, which also mandated the Central Executive Committee to decide on the second and third languages after it had studied recommendations put forward by a working committee which the Central Executive Committee would itself appoint.

The working committee — chaired by President. Albert René and composed of Congress participants, the Minister of Education and Information, Mr. James Michel, officials of the Department of Education and headteachers of all schools — met all day last Sunday and forwarded its recommendations to the Central Executive Committee.

Necessary steps

Basing itself on these, the Central Executive Committee yesterday decided that the Ministry of Education and Information should be asked to take all necessary steps to introduce Creole in all Primary I classes, both as a subject and as a medium of instruction, by January 1982. These steps

should include the establishment of an orthography and the necessary personnel and material as soon as possible, followed by the design and production of dictionaries, grammar and other books and the complete revision of all programmes for P1 as well as the necessary preparation of teachers to teach the new programme.

Creole academy

The Central Executive Committee also decided that a Creole academy should be set up to monitor and guide the development of the Creole language.

Concerning the second language, the Central Executive Committee decided that the Ministry of Education and Information should take all necessary steps to teach English as the second national language as early as possible and to plan for it to be used as the medium of instruction as soon as it has been sufficiently mastered by the children.

Creole, being the mother tongue, may still be used, however, to facilitate understanding and as the medium of instruction for certain subjects which would be determined by the Ministry of Education and Information.

The decision to make French the third national language is also based on the recommendations of the working committee. The Central Executive Committee decided that the third language should compulsorily be French; that the Ministry of Education and Information should introduce it as soon as the second language has been sufficiently mastered and that a careful study should be made for the timing of its introduction in schools.

The working committee also discussed the present language situation in schools and, again, basing itself on the recommendations, the Central Executive Committee, decided:

- That the Ministry of Education and Information, in close collaboration with headteachers, take whatever steps are necessary to ensure that all children now at school become literate in

English by the time they reach P6 and that English immediately become the medium of instruction for all subjects up to P6.

- That the Ministry of Education and Information take steps to ensure that English becomes the medium of instruction for all subjects up to P6 as soon as possible.

- That the Ministry of Education take special steps to ensure that most present P9 students become literate before they enter the National Youth Service.

The Central Executive Committee made its historic decision on the language issue at its weekly meeting yesterday, thus ending a controversy which has periodically swept the country for more than 15 years.

SAP

CSO: 4700/342

CIVIL AVIATION ACCORD WITH INDIA REPORTED

Victoria NATION in English 7 Aug 81 pp 1, 2

[Text]

COOPERATION in civil aviation between Seychelles and India is being strengthened in various ways through the visit to Victoria by a two-man Indian delegation.

Mr. J. Kathpalia, the Director General of Civil Aviation and Mr. N. Vishwanath, Director of Engineering (International Airports Authority), have met the Minister of Transport and Tourism. Mr. Matthew Servina and held talks with other ministry officials and representatives of Civil Aviation Limited.

The two Indians were briefed on Seychelles' requirements in the field of civil aviation administration, general airport management, maintenance and equipment needs.

Accompanied by the Minister himself, the delegation flew over to the Amitié airstrip on Praslin yesterday afternoon to see for themselves the site of the proposed expansion of the island's aerodrome.

Since their arrival on Tuesday, the delegation has also visited the Pointe Larue international airport and other civil aviation installations.

Minister Servina said cooperation between India and Seychelles in civil aviation had started earlier this year with the arrival of three Indian meteorological forecasters. He said he hoped to see the strengthening of this cooperation through the signing at a later date of an agreement based on talks with the Indian delegation.

ALLOCATION OF HOUSING IN ANSE BOILEAU REPORTED

Victoria NATION in English 3 Aug 81 p 1

[Text]

THE turn of Anse Boileau district to benefit "en masse" from the Government programme of providing each Seychellois family with its own house, came on Saturday morning when 14 plots were allocated to families there.

As was done in other districts, the plots were allocated through lottery on the housing site at "Dans Caïman". The plots, each measuring about 4,000 square metres are big and fertile enough to encourage farming once the houses have been constructed.

It is expected that community spirit will prevail in the setting up of this new although small community. Mr. Léon Michaud, the General Manager of the Seychelles Housing Development Corporation told the successful plot recipients.

Mr. Michaud hopes they will get together to help with the construction of the houses and a road and to make

their community as exemplary one.

At Anse Boileau, the Housing Corporation will not be able to construct the houses themselves because of heavy work commitments. The plot owners will be provided with the money to construct the houses on their own but the Housing Corporation will assist them with advisors.

Mr. Michaud called on awaiting loan applicants to exert some patience. He said it did not mean their cases were being ignored when a little more time was taken in processing applications. The Housing Corporation, he said had so much to do and wanted to help everybody.

SAP

BRIEFS

TRAINING FOR OFFICIAL--The former Principal Secretary for Works in the Ministry of Planning and Development, Mr Maxime Fayon, is taking a one-year sabbatical leave to follow a post-professional course in Canada, which will qualify him for a new position on his return to Seychelles. Mr Fayon has already played a key role in the setting up and work of various national organisations and on his return he will probably be involved mainly in the running of some of these bodies. Before leaving Seychelles last month, the former Principal Secretary was also the chairman of the board of directors of both the Seychelles Electricity Corporation and Works Enterprises Limited. The reorganisation of the Ministry of Planning and Development announced last week, has left Mr Robert Grandcourt as the only Principal Secretary in that ministry, which was previously the only government body having two such posts. Commenting on the reorganisation, Minister Maxime Ferrari said it started about a year ago and was necessary to relieve the government ministries of some functions, particularly those operating on a commercial basis. Those providing housing, electricity, water and other services are now the responsibility of independent parastatal companies. [Text] [Victoria NATION in English 5 Aug 81 p 2]

CSO: 4700/342

BOTHAS DISCUSSES PRESIDENT'S COUNCIL'S WORK SCHEDULE

Johannesburg THE STAR in English 4 Aug 81 p 7

[Text]

THE ASSEMBLY — The Prime Minister, Mr P W Botha, told the Assembly yesterday he considered that by November or December the President's Council would have had a "reasonable time" to complete its work on deciding a new political dispensation for coloured people and Indians.

During the debate on the censure motion Mr Botha said that should the council not have completed its work by then, as he expected, a "little more time" would be granted.

He said that if the council presented recommendations which deviated drastically from government policy, the

Cabinet would present them to party congresses, along with the Cabinet's standpoint.

Should the congresses accept the recommendations a referendum would be held in the interests of stability.

Mr Botha said he was also prepared to ask the President's Council to bring out an interim report on local and regional government.

He said he wanted to help the coloured people in their striving for a political say.

"I do not believe in a common voters roll. It has never worked and will never work," said Mr Botha.

He said the struggles

and bitterness which had come about in relations with the coloured people had stemmed from the common voters roll.

The government was bound to the proposals referred to the Presidents' Council — the establishment of an electoral college for the election of a State President with more executive power, the establishment of a President's Council on an established basis of election on which coloured people and Indians would be represented, a Council of Cabinets in which whites, coloured people and Indians would be represented and three parliamentary councils.

CSO: 4700/352

ADMIRAL SAYS CORVETTE-TYPE CRAFT TO BE BUILT

Johannesburg THE CITIZEN in English 15 Aug 81 p 11

[Headline: "SA May Produce Her Own Subs"]

[Text]

CAPE TOWN. — The South African Navy will have new Corvette-like surface vessels as its main attacking force within 10 years, says its chief, Vice-Admiral R A Edwards.

In an interview during exercises by naval frigates, strike craft, SAAF Impala jet trainers and helicopters in honour of the President of Transkei, Paramount Chief Kaiser Matanzima, Adm Edwards added the vessels would also be South African-made.

With one of the three frigates, SAS President Steyn, "paid-off" and stripped, the end of these graceful ships, at the forefront of the SA Navy for nearly 20 years, was less than 10 years away.

"We are into the smaller ship era, an offensive-defensive role where submarines and missile craft act as the deterrent," he said.

The navy was already planning for the introduction of Corvette-type vessels, similar to those on order when the 1977 arms embargo

was introduced.

They would be armed similarly to strike craft with cannon and missiles.

The new vessels would be slightly larger than the strike craft, but still economical.

The navy also needed to supplement its present strike craft flotilla of six to operate on the east and west coasts.

South Africa would also have to look at its sub-surface requirements within the next few years, Adm Edwards said.

The present Daphne-class vessels were already 10 years old and would have to be replaced within the next 15 years.

Adm Edwards hinted at possible South African submarine production, but added sub-surface vessel manufacture was an entirely different consideration.

The two remaining frigates, SAS President Kruger and SAS President Pretorius, would have to be kept operational until late into the 80 s, as their primary task was anti-submarine warfare.

NEW BUDGET PRESENTED BY FINANCE MINISTER HORWOOD

'Moderate' Budget

Johannesburg THE CITIZEN in English 13 Aug 81 pp 1-2

[Article by Jaap Theron]

[Text]

EXCEPT for drinkers and smokers, who are going to pay more for their liquor and "smokes" because of higher excise duties, South Africans can say "Cheers!" to the record Budget presented by Mr Owen Horwood, Minister of Finance, in Parliament yesterday.

The reason for this general satisfaction is that there are no income-tax or sales tax increases and the loan levy, despite intense Press speculation, is not being re-introduced.

Company taxes also remain unchanged.

Economists described the Budget as mild, fair, neutral and moderate, despite high spending on defence (up more than 30 percent) and on the education and training of Blacks (up to 52 percent).

They forecast a slower growth rate as a result of the economic conditions outlined by Mr Horwood in his Budget survey.

The budget, which included State spending of R15 871-m, was generally described as a "balanced one in difficult circumstances."

Mr Horwood took only moderately and in the right places — namely, from the rich, by increasing duties on luxury items such as jewellery, photographic equip-

ment and furs. He gave moderately to the right people mainly the lower-income groups.

The duty on all beer, both imported and local, is to be increased by two cents a 375 millilitre container.

Brandy, gin, whisky and other spirits will go up by two cents a tot, or about 55 cents a bottle.

Fortified and sparkling wines go up by 2,4 cents a litre.

Non-alcoholic beverages go up one cent a litre.

Cigarettes rise by 4 cents a packet of 20, while cigars go up by 10 cents per kilogramme.

The duty on pipe tobacco remains unchanged.

Ad valorem duty on imported items such as jewellery, photographic equipment, furs and other "less essential" items will be increased by five percent across the board.

Other features of the Budget are:

- Social pensioners are to receive a second special pension bonus of R30 for

Whites, R24 for Coloureds and Asians and R18 for Blacks, to be paid not later than November this year.

- Taxation on fringe benefits will be "phased in" over the next two years.

- People earning less than R7 000 a year will no longer have to submit tax returns.

- An increase from R15 000 to R20 000 in respect of lump sum payments to employees exempt from tax.

- The tax-free allowance on the earnings of married women has been raised from R1 200 to R1 400 for this tax year, and will go up to R1 600 next year.

- Racial discrimination in the income tax system is to be finally abolished next year, when Blacks will be taxed on exactly the same basis as other races.

- The estate duty burden has been eased. Now the estate of a man leaving a wife and two children will only start to be taxed at a minimum level of R180 000, compared with R150 000 previously.

- An R80 tax rebate has been introduced for people aged 70 or more.

- Retirement bonuses, such as deferred compensation, are to be taxed at a

lower rate on amounts above the tax-free limit of R20 000.

- The subsidies for maize and bread — the staple foods of the lower income groups — will reach a new record level of R250-million.

- Further rises in spending on all kinds of education, R2 902-million, which will account for 18,2 percent of Government expenditure, compared with 14,4 percent five years ago.

- An allocation of an additional account of R257-m for the National Housing Fund, which is mainly concerned with financing housing for Blacks in Soweto and Coloured people on the Cape Flats and elsewhere in the country.

- An announcement that the Government is to proceed with legislation to preserve pension rights (these rights are now partially lost and partially paid out in cash when a worker changes jobs).

- However, employees will have the right to opt out of this in respect of their past pension contributions.

- Establishment of a new fund for training unemployed workers, especially in the lower-income groups, with a view to enabling them to increase their skills and to get jobs.

- Higher interest rates and higher maximum limits for investors in tax-free

building society shares.

- Tax allowances for maintenance of handicapped children will go up to a maximum of R1 200 a year.

- The proportion of ploughed-back dividend income not subject to undistributed profits tax has been increased from 35 to 50 percent in respect of public companies.

- Farmers' breeding stock is to be valued for tax purposes on a more generous basis, including tax rebates on all stock and not only on breeding stock.

- Interest rates on Treasury and National Defence Bonds are to be increased after October to adapt them to present-day interest rates.

- Exemption of Government, Provincial administrations and State enterprises from local authority rates (property taxes) is to be abolished, but local authorities will give them a 20 percent rebate.

- There is also to be financial assistance for local authority, ambulance and fire-fighting services.

- Annual duties on companies will be levied at a flat rate irrespective of the capital structure and irrespective of whether the company is a domestic or foreign company.

- The abolition of duties on all petroleum gases.

Defense Expenditures

Capetown DIE BURGER in Afrikaans 13 Aug 81 p 2

[Text] The weapons boycott against South Africa and the severe inflation in weapons prices will be regarded as important causes for the rather sharp increase in the defense budget. The total budget for the new financial year is 2,465 million rand, or 575 million higher than last year. This is close to a 30-percent increase.

In political circles it will be pointed out that this is not the largest increase within the past decade. On at least three occasions the increase was larger than this year. The inflation in weapons prices is extremely high, and this is certainly an important factor in the latest increase. The weapons boycott against South Africa also means that some weapons become uneconomic for the country's defense. Observers also note that the threat to South Africa will be greater every year, a fact which the defense budget has to take into account.

The land defense expenditure in the financial year will be 1,293,595,500, compared to 1,032,698,100 rand in the past year; for air defense 62,403,000, compared to 42,331,400 rand last year; and maritime defense 128,165,100 compared to 111,702,100 in the past year.

Special Defense Account

Johannesburg THE CITIZEN in English 13 Aug 81 p 11

[Text]

AN AMOUNT of R172-million will be transferred from the Budget surplus of R309-million to the Special Defence Account, Mr Horwood said.

"In the light of recent developments in and around Southern Africa, defence must remain one of South Africa's highest priorities," he said.

Budget Aid to Namibia

Johannesburg THE CITIZEN in English 13 Aug 81 p 11

[Text]

THE old method of financing budgetary aid to South West Africa could no longer be regarded as sound accounting practice and he had decided to provide such aid in the main estimates in the normal way, the Minister of Finance, said.

Mr Horwood said the old South West Africa Account was a parallel account to the State Revenue Account.

"It has become customary to make good any shortfall on this account by transferring funds to it from the State Revenue Account by way of the Finance Act.

"Due to constitutional developments in South

West Africa, the SWA Account was abolished recently and a Central Revenue Fund established."

This method was unsatisfactory.

"I have consequently, with effect from the 1981/1982 financial year, decided to provide for budgetary aid to SWA in the main estimates in the normal way."

It would be necessary to transfer a further amount of R80-million to the Central Revenue fund via the Finance Act for the 1980/81 financial year.

This amount would come from the Budget surplus of R309 — million, Mr Horwood said.

Tax Changes

Johannesburg THE CITIZEN in English 13 Aug 81 p 3

[Text]

CAPE TOWN. — The phasing out of separate taxation for Blacks was part of the ongoing process of systematic tax reforms, Mr Horwood said.

It was his intention to effect the final phasing-out of the taxation of Blacks in terms of the Black Tax Act of 1969, from March 1, 1982 by subjecting the incomes of

all individual taxpayers to tax in terms of the Income Tax Act, 1962, under the jurisdiction of one tax authority.

"In order to provide differentiated relief to persons over the age of 70 years and in an attempt to afford further tax relief to senior citizens who find it increasingly difficult, if not impossible, to augment their incomes, I propose to go further and to grant all taxpayers who are 70 years and older an additional rebate of R80 with effect from the tax year which commenced on March 1, 1981.

R5 000

"The effect of this concession will be that a person in this age group will, at present rates of tax, not become liable for income tax until his income, after the deduction of medical expenses, exceeds R5 000 per annum, compared with R4 000 per annum at present.

Lump sum payments by an employer to an employee upon retirement due to old age, ill health or other infirmity be increased from R15 000 to R20 000.

"As a further relief measure I wish to propose that the portion of the lump sum remaining after the deduction of the exempt amount be subjected to tax at the taxpayer's average rate of tax applicable to his other income and not at the marginal rate which would, but for this measure, have applied."

Parents who maintained a child or stepchild, who due to physical or mental disability was unable to maintain himself, who was wholly or partially dependent for his maintenance upon the par-

ent, and had not himself become liable for income tax, were at present entitled to a rebate for the child irrespective of his age.

Mr Horwood said he had decided to extend to all such parents the same concession as that which applied in the case where the taxpayer and/or his wife suffered from a physical disability, namely an allowance equal to as much of the expenditure as the Commissioner for Inland Revenue was satisfied was necessarily incurred by the parent in consequence of the child's physical or mental disability, but subject to a maximum deduction of R1 000 a year.

"Fiscal drag"

Referring to estate duties snr Horwood said that in order to compensate partly for the effects of "fiscal drag" occasioned by escalating values of assets making up the taxable value of an estate, it was necessary constantly to adjust the abatements to ensure that a tax of this nature did not become confiscatory.

"I wish to propose, therefore, that in respect of estates of persons dying on or after April 1, 1981, the following deductions be applied instead of the amount of R37 500 at present applicable in each case.

- "A basic deduction in respect of each estate of R50 000;

- "A further deduction where the deceased is survived by a spouse, R50 000;

- "A deduction in respect of each child who predeceased the deceased parent leaving a descendant by blood or a wife who had not remarried, R40 000.

Gold Output Value Decline

Johannesburg THE CITIZEN in English 13 Aug 81 p 10

[Text]

THE value of South Africa's net gold output declined sharply from R10 000-million in 1980 to a seasonally adjusted annual rate of about R8 000-million in the first half of 1981, the Minister of Finance, said.

He said this was due to the decline in the price of gold

and the widespread recessionary tendencies abroad.

Other exports also declined marginally below the high 1980 figure of R9 600-million.

"By contrast, the continued rapid expansion of domestic investment and consumption brought about a rise in imports, from R14 200-million in 1980 to a seasonally adjusted annual rate of over R17 000-million in the first half of 1981.

"Taking into account also other current payments and receipts, the result was a turn-around in the balance of payments on current account from a surplus of R2 800-million in 1980 to a seasonally adjusted annual deficit of over R3 000-million in the first half of 1981," Mr Horwood said.

Effect of Gold Price

Johannesburg THE CITIZEN in English 13 Aug 81 p 11

[Text]

PRESENT circumstances called for a budgetary policy of consolidation and adjustment, the Minister of Finance said.

Delivering his Budget speech, Mr Horwood said this meant consolidation of the enormous economic gains made during the recent upward cyclical phase, and adjustment to the adverse impact on the South African economy of the set of conditions created by the prevailing world recessionary tendencies: The abnormally high interest rates in the United States and elsewhere, the spectacular appreciation of the US dollar and the sharp decline in the gold price.

"A policy of outright stimulation of demand through increased deficit spending finances by bank credit must be rejected out of hand, even if the South African economy appears about to follow Western Europe into what is technically called a downward phase of the business cycle (if it has not already done so).

"In framing fiscal policy, much more has to be taken into account than just that consideration.

"In the first place, inflation remains a major problem and with the economy still operating at full capacity, any premature stimu-

lation of demand would almost certainly result in an acceleration of the rate of price increases.

"Secondly, the recent adverse changes in the external circumstances affecting the South African economy can neither be shrugged off nor neutralised by fiscal or monetary manipulation."

What economists called the balance of payment adjustment process should not only be permitted to proceed, but had also to be assisted by fiscal and monetary policies, even if this meant retraining demand at a time of slower real growth.

"There are no soft options in dealing with a situation of this kind.

"A country cannot solve its economic problems by attempting to live beyond its means."

As Franklin D Roosevelt had said in 1932: "A country, like any family, can for a year spend a little more than it earns. But you and I know that a continuance of that habit means the poorhouse.

"In this respect, an important element in determining appropriate budgetary policy at present was the movement of the gold price.

"Despite the recent decline in the gold price, I see no reason to revise my basic confidence in gold.

"In fact, I would point out

that the present price is still almost a third higher than two years ago and that throughout last year, inter alia in my 1980 Budget speech, I consistently cautioned against basing one's expectations on the high price of gold which then prevailed.

"In my view there can be little doubt that at present price levels, the industrial demand, which is a very important component of the aggregate demand for gold, will be picking up sooner than later.

Together with other factors, such as that Russia had been selling little gold, there was every reason to expect that the price of gold would start rising again, possibly even as early as the end of 1981.

"In the meantime, however, we have no choice but to acknowledge that the decline in the gold price has in a very real sense made us a nation less affluent than we would otherwise have been."

"Ever since he had become Minister of Finance early in 1975, he had been calling for an authoritative round table conference, preferably arranged by the International Monetary Fund, to thrash out the proper monetary role of gold, in order to bring discipline to bear in international financial arrange-

ments and thus setting the stage for an effective attack on rampant world inflation.

"After much opposition over the years, the American administration has at last appointed a Gold Commission to make precisely that enquiry — and not only South Africa will await its outcome with interest".

As far as other exports were concerned, there was little clear prospect of an early general improvement.

Recently, in the World Economic Review prepared by the International Monetary Fund, it was forecast the rate of growth in real gross national product of all the industrial countries com-

bined — would recover only marginally to 1,5 percent in 1981.

It was further forecast that the total volume of imports of this important group of countries, which declined by one percent in 1980 after having grown by eight percent in 1979, would remain stagnant for the whole of 1981.

"The main implication for South Africa is that there is no reason to expect a rapid increase in the volume and value of non-gold exports in the immediate future.

"To ignore these facts in our policy-making would be irresponsible," Mr Horwood said.

Combat of Inflation

Johannesburg THE CITIZEN in English 13 Aug 81 p 10

[Text]

THE rate of inflation was too high and the Government had no higher priority than combating of inflation, the Minister of Finance said.

Summarising the economic prospects in his Budget speech, Mr Horwood said it was gratifying to note that the average real earnings of the working population as a whole had increased in recent years in spite of high inflation rates.

In 1980 for example, White earning had shown a real growth of 3,3 percent and that of other population groups, 4,3 percent.

"This means that wages and salaries, expressed in current (1980) Rand, rose on average by some 18 percent last year," he said. This was a very substantial rise by any standards.

Taking into consideration the high growth rate in 1980, it was also gratifying that the average increase of 13,8 percent in the consumer price index was only slightly higher than the 13,2 percent rise the year before.

For the twelve months from June last year to June 1981 the consumer price index rose by 14,8 percent over that of the comparable previous twelve months.

"What is important is that, uniquely for a long time, there has been a successive small decline in the three most recent monthly rates of increase in the consumer price index, compared each time with the corresponding month of the previous year.

"This relatively favourable turn of events, however, which has also been reflected in the index of production prices (wholesale price index), is no cause for complacency about the inflation rate which, however it is looked at, is too high," Mr Horwood said.

At the March inflation conference he had called in Johannesburg and which was attended by the business sector, organised labour, consumers, academicians and the public sector, as well as at a meeting of the economic advisory council, a wide variety of anti-inflation measures were considered in depth.

It had been generally agreed at both meetings that he should continue vigorously with the structural long-term measures he had stated in his 1980 Budget speech. These included the better utilisation of labour resources and more effective competition in all sectors of the economy.

It was also agreed that in order to supplement the domestic supply of goods, the intensification of import controls by quantitative measures should be avoided in the shorter term.

"In both meetings the futility of trying to combat inflation through selective price controls was also underlined," he said. Such controls lead to distortions between the prices of controlled and uncontrolled products and gave rise to shortages and production cost backlogs in respect of controlled products. This resulted in large and disruptive price adjustments having to be made later in order to catch up with price increases in the economy at large.

It was strongly felt that inflation should not be fought with formal wage and price controls but at the same time it was emphasised that all parties should be aware of the inflationary consequences of excessive price, wage and salary increases.

"Self discipline by all parties involved in negotiations and decisions on these matters are essential conditions for the more effective control of inflation," the Minister warned.

The policy which had been followed in recent years, albeit for good reasons, of closing the wage gap between race groups, "must necessarily in the shorter term be inflationary," he said.

Although there might be a difference of opinion in the matter, he knew of no serious economic commentator who would disagree that without the necessary increase in the money supply, no inflationary process could run its course.

At both meetings it was agreed that at this stage of full employment of skilled

manpower and of production capacity prevailing in South Africa, "the most crucial elements of an anti-inflationary policy was effective fiscal discipline and effective control over the money supply," he said.

Mr Horwood warned that neither the Government nor the private sector could allow the malpractices of "that small minority of members of business and the professions who, under conditions of inflation are tempted to exploit the public for their own selfish ends.

Monetary Control

Johannesburg THE CITIZEN in English 13 Aug 81 p 10

[Text]

SOUTH AFRICA experienced excessive monetary expansion during 1980 and the first quarter of 1981, the Minister of Finance, Mr Owen Horwood said.

Taken at a seasonally adjusted annual rate the broad money supply (M2) had increased by 27 percent in the second quarter of 1980, 41 percent in the third quarter, 25 percent in the fourth quarter and 46 percent in the first quarter of 1981, before slowing down to 29 percent in the second quarter.

"Although these figures have been distorted by so-called 'disintermediation' and 're-intermediation', i.e. shifts from 'on balance sheet' to 'off balance sheet' bank financing and then back again, they nevertheless indicate excessive monetary expansion, particularly when compared with the broad guideline of 10 to 12 percent for the increase in M2 which I suggested at the time of the 1980 Budget."

Mr Horwood said the successful out-turn of the 1980-1981 budget was most gratifying.

"From the economic facts I have presented today, however, it is evident that not all aspects of economic stabilisation policy in South Africa during the year ended March, 1981, were equally

satisfactory.

"In retrospect for example, it is evident that whereas fiscal policy was, on balance, restrictive, the instruments of monetary policy in use at the time could not prevent the money supply and bank credit to the private sector from rising at an excessive rate — a development which contributed to the overheating of the economy and the general demand inflation which came into being during the second half of 1980 and persisted well into 1981."

"The increases in the quantity of money were closely related to the simultaneous existence during 1979 and 1980 of a record surplus on the current account of the balance of payments and the continued application, albeit with some relaxations, of exchange controls over both residents and non-residents.

"This combination of circumstances inevitably resulted in an accumulation of money in the hand of companies and individuals.

Equally important, Mr Horwood said, it also brought about a sustained increase in the liquidity of banking institutions which, in turn, enabled them to create even more money by expanding their credit to the private sector in response to

the rising demand for credit.

In the course of 1980 and the earlier part of 1981, this increase in bank credit became the main statistical "cause" of the rise in money supply.

"A further feature of this situation was the abnormally low level of interest rates which prevailed in South Africa during most of 1979 and 1980.

"These rates were low not only in relation to interest rates in the United States, the United Kingdom and many other industrial countries, but also in relation to our own rate of inflation. Indeed, throughout this period most South African interest rates were negative in real terms.

"In addition, within our own interest rate structure, the rates on Treasury bills, bankers' acceptances, call money and other short term paper were abnormally low in relation to bank rate and prime commercial bank overdraft rates.

"At the time of last year's Budget, for example, when the bank rate was seven percent and the commercial banks' overdraft rate 9,5 percent, the Treasury bill had declined to just over four percent and acceptance credit could be arranged freely at an all inclusive cost of ar-

ound six or seven percent.

"It was this distortion, coupled with the excessive liquidity of many companies, which brought about much of the 'disintermediation' to which I have referred.

"Although these problems of monetary policy were dealt with extensively in last year's Budget speech, the excess liquidity in the banking sector, and indeed, in the private sector as a whole, and the distorted interest rate structure continued throughout the rest of 1980 and into 1981."

These conditions were exacerbated first by a temporary increase in bank credit to the Government sector during the second quarter of 1980, and then by a particularly sharp increase of over R1 100-million in the net foreign reserves during the third quarter.

It was only from October onwards, when the net reserves were allowed to decline so as to drain some of the excess liquidity out of the economy, that the position gradually began to return to normal and that interest rates began to rise to more appropriate levels.

More recently a combination of natural economic forces and a firm

contractionary monetary policy has brought about a metamorphosis of the monetary and banking situation.

"Although the broad money supply and bank credit, inflated by 'reintermediation' have until recently continued to rise at too high a rate, conditions in the financial markets have tightened considerably and both short and long term interest rates have increased sharply to levels much more in line with overseas rates.

"In an attempt to add effective monetary discipline to the existing fiscal discipline, the Reserve Bank has permitted interest rates to rise to market-related levels and has increased its own bank rate in four stages from seven percent at the beginning of 1981 to its present level of 12,5 percent.

"It has also made increased use of open-market operations, rediscount policy and variations in the discount it offers on forward dollars.

"Preliminary indications suggest that these measures are taking effect and that since the end of April both the money supply and bank credit have been rising at a noticeably slower rate," he said.

Impact on Maize Farmers

Johannesburg THE CITIZEN in English 13 Aug 81 p 2

[Article by Peon de Villiers]

[Text] THE Government was trying to steer clear of its responsibility towards the South African maize farmers, Dr Kit le Clus, head of the development foundation of the National Maize Producers' Organisation (NAMPO), said yesterday.

He was commenting from the NAMPO headquarters in Bothaville on the budget announcement regarding assistance to maize farmers by the Ministers of Finance, Dr

Owen Horwood.

According to Dr Horwood's announcement, a Government-guaranteed

bridging loan of R71-million would be made to the maize Board. Part of the interest on this loan would also be subsidised.

A further consumer subsidy of R60-million would be given.

Dr Le Clus said it was unsound Government policy and would get maize farm-

ers into further difficulties.

He said wheat sorghum would be subsidised by R160-million. "This is detrimental to the use of maize.

"It will mean that we will have to export more maize on which we only make losses."

Dr Le Clus explained that the R71-million loan was for farmers to bear their own export losses.

"He could have introduced other measures to

stimulate production." Dr Le Clus said the Minister should rather have applied discretionary sales tax to discourage consumption.

"The Minister mentioned in his speech that we would have to carry forward 3-million tons of maize for which the Government did not have the necessary machinery to export. It costs us an average of R16,50 a ton — almost a total of R50-million.

"Already we have to carry forward debts of R33-million from last year which means that by at the end of this year we will owe the Government R104-million.

"The Le Clus emphasised: "The Government is steering clear of its responsibility towards the maize farmer by offering this loan of R71-million of which only a part of the interest will be subsidised.

dised.

"Such a loan will get farmers only further into trouble as was the case with the sugar farmers. We all know what position the sugar industry is in today."

Dr Le Clus added that maize farmers felt the consumer subsidy on maize should have been higher, or at least the same as that on wheat.

By continuing with a strict monetary and fiscal policy, the Minister was only combating the symptoms of inflation instead of fighting inflation itself, he said.

"Money in circulation is being reduced, while interest rates rise sharply. This makes money with which we produce more expensive and this does not encourage production," he said.

Opposition Reaction

Johannesburg THE CITIZEN in English 13 Aug 81 p 2

[Text]

THE Government had lost touch with the people. No attempts had been made to solve any of the country's critical problems.

These were the immediate reactions from the Opposition Progressive Federal Party and the New Republic Party to the Budget.

The PFP's chief spokesman on finance, Mr Harry Schwarz, said: "This is a morning-after-the-night-before Budget and is the day of reckoning after the election."

ing after the election."

The real test of a Budget was what it did for the people and how far it went to solve the real problems of the economy.

"This Budget ignores the real plight of the consumer in the field of housing and the general cost of living.

"It is clear that the Minister expects the present rate of inflation to continue," he said.

The NRP's spokesman on finance, Mr

George Bartlett, said Mr Horwood had conceded that the cost of living would continue to rise at about 15 percent.

The amounts allocated to critical areas, such as the plight of the pensioners, housing and the salaries of public servants, were not even enough to compensate for the rising cost of living.

"This means that the standard of living of these people will drop even further."

Daan de Kock Comment

Johannesburg THE CITIZEN in English 13 Aug 81 p 20

[Article by Daan de Kock]

[Text] THE Budget, introduced in Parliament by the Minister of Finance, Mr Owen Hor-

wood, is seen by most commentators as a holding operation until March next year.

Gold remains the most important factor, and unless there is a substantial improvement in the price of bullion, sharp increases in

taxation in March next year cannot be ruled out.

The Budget was described as "very neutral" and analysts said the Minister was careful not to slow down the economy too much.

There was, however, concern that the fiscal measures proposed in the Budget by themselves are not sufficient to bring about the adjustments necessitated by the less favourable internal and external economic conditions mentioned by the Minister. This is the view of the managing director of Standard Bank, Dr Conrad Strauss.

The chief economist of Nedbank, Rudolph Gouws, agreed with him. Mr Gouws said that in the light of the detailed analysis given by Minister Horwood of the external factors, he was surprised that more fiscal measures had not been introduced.

Dr Strauss said the reluctance of the Minister to take sterner fiscal measures now shifts the burden of tackling inflation and the balance of payments problems onto monetary policy. "This means that tight credit conditions may continue for longer, with higher interest levels, that if fiscal policy had been more decisively used to reinforce already restrictive monetary policy." This comment doesn't of course, rule out a further hike in interest rates.

Dr Johan Cloete, chief economist of Barclays Bank, said the Budget was more or less as he had expected. He said the deficit of R2 707-million would probably be financed out of loans from the capital market, with the result that no new money will enter the economy. He said the Minister was probably conservative in his estima-

tion of revenue, but on the other hand expenditure had also increased only slightly. The Government could have spent more on the social infrastructure, but by doing that it probably would have to cut down on defence spending, or reinstate loan levies, he added.

The managing director of Hill Samuel, Jurie Bester, said taxpayers can expect higher rates next year unless the gold price rises substantially in rand terms.

He said the Minister had refrained from raising taxes at this stage, thereby keeping his options open in case the gold price recovers. He also agrees that interest rates will remain high until the tight monetary policy has the desired effect of curbing demand and excessive money supply.

Jack Verblow Comment

Johannesburg THE STAR in English 13 Aug 81 p 21

[Article by Jack Verblow]

[Text]

SHIELDING the capital market from a widely expected upward move in long term rates, yesterday's budget went out of its way to keep the market stable.

Additional Customs and excise duties on beverages and other non-essential goods will help keep pressure away from long term rates, Finance Minister Owen Horwood, said in his budget speech, which will avoid placing undue strain on the capital market.

Giving relief to those institutions still holding a great deal of long term papers, senator Horwood added that the Exchequer would not cover its net deficit — forecast at R2 814-million — from borrowings which would have also acted as a rocket to long term interest rates.

Without any announcement regarding prescribed asset requirements, widely expected for over a year by most market analysts, the price of long term investment stocks are unlikely to go down as a result of the budget speech.

The one positive sign for long term investment specialists is the level of Government spending — an important influence on the gilt and semi-gilt floor — which will show only a moderate increase in the coming year.

While Senator Horwood is confident that this will still be lower than the growth in real gross domestic expenditure, and at a rate smaller than the level of the deficit, the latest budgetary proposals certainly contain a cooling effect on both the capital and money market floors.

Although the budget is as

Senator Horwood says, a conservative one, the stabilisation account, through which some of the authorities market manouvres are conducted, is not left with much margin to relieve any serious money shortages, beginning the new fiscal year with only R40-million compared to R300-million at the end of 1981.

The Government has also exercised its conservatism in the area of foreign loans which will be used to finance only a small 6 percent of total planned Government expenditure of R5 500-million.

This is another indication that long term rates are not going to be scored much higher in the near future, with gilt and semi-gilt investments at home used as one method of attracting foreign capital existing rates already make South African investment attractive compared with others.

A small R350-million loan taken abroad reflects the Treasury's confidence that there will be no drastic shortage of money when the world's markets finally settle down.

CSO: 4700/352

CAPE TOWN COUNCIL VOTES IN FAVOR OF COLORED FRANCHISE

Johannesburg THE STAR in English 31 Jul 81 p 10

[Text] Cape Town--The first step towards giving the municipal vote back to the coloured people of the city was taken by the city council when it approved the Bloomberg Report on the municipal franchise yesterday.

Mr Kreiner said he had received a request from Comprá to be allowed to address the council.

He outlined why, in terms of the council's rules of order, he could not grant the request. Mr Kreiner then read out a statement from Comprá which said it agreed with the Bloomberg Report and suggested further steps to have the franchise accepted in law as soon as possible. In the meantime, "immediate participation in common decision-making as a prelude to future legal formalisation" was requested.

Comprá secretary Mr Eddie Kai tried to address the council from the gallery but Mr Kreiner called for the lunch adjournment and the councillors left the chamber.

Against

During the debate the only councillor to speak against the franchise, Mr J S Rabinowitz, said that what held good in 1970 did not hold good today.

Giving the franchise to the coloured people would mean Cape Town going against the laws of the country.

He said the council had lost sight of the "suicidal population explosion" the effect of which would be two coloured councillors for every white councillor.

He said that commerce and industry would not stand for the city being run "by coloureds who were responsible."

It would be playing into the hands of the "ever-wating communists if every skollie who lived in a house can vote."

Informed by several councillors that his remarks were offensive he withdrew them and apologised.

The council passed the franchise recommendations with 25 votes for, and none against. But three councillors--Mr Rabinowitz, Mr A L J Powell and Mr Gerry Ferry --walked out before the vote was taken.

From Durban it is reported that that city is also moving towards giving coloured and Asian residents a direct say in how the city is run.

A working committee was set up by the management committee at the beginning of this month to find ways of giving direct representation to all Durban's communities.

The plan Durban is likely to come up with could differ considerably from the Cape Town plan.

CSO: 4700/352

LEGISLATION TO GIVE URBAN BLACKS SELF-ADMINISTRATION

Johannesburg THE CITIZEN in English 14 Aug 81 p 11

[Text]

DURBAN — The Government hoped to introduce new legislation during the current session of parliament to give Blacks in urban areas the opportunity to administer their own affairs, the Deputy Minister of Co-operation, Dr G de V Morrison, said yesterday.

He told the Natal Community Councils that the Minister of Co-operation and Development, Dr Piet Koornhof, had decided that the Community Councils Act was to be revised to bring it into line with typical local government legislation.

"The community councils operate on the third level of government. This is the same level at which a municipality operates, and in many ways a community council in its responsibilities can be compared with a municipality.

"One important difference must, however, be kept in mind: Whereas the municipality is responsible to the provincial administration and hence, indirectly, to the State, the community council is directly responsible to the Minister of Co-operation and

Development and thus to the State."

In the Republic, with its multi-national composition, no public authority, including community councils, could administer its affairs without particular attention to sound relations with other groups and authorities.

Referring to the 99-year leasehold scheme for Blacks, Dr Morrison said it stood to reason that a residential area's planning should first be brought in line for the allocation of leasehold rights before such rights could be obtained by residents who qualified.

"A qualified Black person can buy outright, or on terms, from an administration board the right to 99-year leasehold on a vacant lot and erect his own building with his own funds, or he can buy a lot with buildings in the same way.

"He can also buy a house for a start and later on, when he can afford it, acquire a 99-year lease over the property."

CSO: 4700/352

AGREEMENT REACHED FOR PRESS COOPERATION WITH POLICE

Johannesburg THE CITIZEN in English 13 Aug 81 p 9

[Text]

A NEW agreement between the Press and police aimed at achieving a free flow of information has been signed, the Newspaper Press Union announced yesterday.

The president of the NPU, Mr Peter McLean, signed yesterday and the Commissioner of Police, General Mike Geldenhuys, signed last week.

"Both parties accept that the object is to achieve the free flow of information. We hope that the agreement will ensure that this happens and that it will help to promote close liaison and co-operation between the Press and the police," Mr McLean said in a statement.

He added that the police realised the Press had an obligation to inform the public fully, accurately and as rapidly as possible about newsworthy events.

The Press on the other hand appreciated that in the execution of its task it may not obstruct the administration of justice nor hamper the police in their investigations, he said.

The new agreement replaces one that has been in operation since August, 1978.

It provides among other things for the issue of new Press identity cards to journalists on an annual basis.

Under the new agreement, Press identity cards will be issued by the editors of news organisa-

tions, instead of by the commissioner as under the old agreement. The cards will be numbered and the NPU will keep a proper record of them.

The editor of each news organisation will decide whom to issue the cards to and will do so only to people for whose integrity he is personally prepared to vouch. The editor may withdraw the card at any time.

Another change under the new agreement is the creation of a category of accredited journalists. Members of the NPU may submit a reasonable number of names of senior journalists to the commissioner for accreditation. They will have access to the commissioner or an officer designated by him to discuss confidential information. These accredited journalists will have Press cards issued by the commissioner. Such cards may be withdrawn by either the editor or the commissioner.

Possession of a valid Press card enables a journalist to interview the senior police officer or station commander in a particular area and obtain information for publication.

He may also, for purposes of his work and with police permission, enter and remain in an area under police control from which the public is excluded. But it will be at his own risk and he may be ordered out if his

presence hinders or obstructs the police in the execution of their duty. This exclusion will not be lightly ordered by the police.

A journalist not in possession of a Press card has no valid claim to any information from the police.

A journalist holding a Press card undertakes not to publish any information about crime or national security that he has obtained independently before he has consulted the senior police officer of the area concerned.

Specially authorised senior police officers may request that information should not be published, or that publication be delayed if the information relates to serious crime, national se-

curity or the combatting of terrorism, or if publication could hamper the police.

The commissioner may request that he be given the name of any member of the police force if any statement or comment in a report is attributed to an unnamed policeman.

Editors undertake to instruct their staff not to approach members of the force for information except those who have been specially authorised.

However, a station commander or other senior officer on duty may give information about accidents and fires to the holder of a valid Press card, including the identities and addresses of injured or dead people provided their next-of-kin have been informed.

CSO: 4700/352

CARRYING OF WEAPONS ON INTERNAL FLIGHTS ALSO TO BE BANNED

Johannesburg THE CITIZEN in English 15 Aug 81 p 4

[Text]

LEGISLATION to prohibit the transportation of weapons by aircraft within the borders of South Africa to prevent possible acts of terrorism had become necessary the Minister of Transport, Mr Hendrik Schoeman said yesterday.

Introducing the second reading of the Aviation Amendment Bill he said South Africa was a signatory to the Convention of International Civil Aviation signed in Chicago in 1944.

Provisions had been made in this agreement prohibiting the transport of munitions and implements of war by aircraft engaged in international navigation.

Mr Schoeman said the necessity of such a stipulation had since increased with the extended use of air transport and the determinations of the convention had to be amended to comply with South Africa's particular needs and circumstances.

"The most important adjustment is to make the ban on the transportation of armaments by a aircraft applicable to internal flights as well."

In terms of the Bill, armaments cannot be transported by aircraft without the written permission of the Minister of Transport and contraventions of this regulation would be subject to imprisonment for a maximum of ten years without the option of a fine.

The Bill was supported by the Progressive Federal Party and the New Republic Party but both Opposition parties objected to the wide definitions which applied to the words "armaments" and "aircraft".

It was also felt that the wording of the Bill would prohibit people with licensed firearms from handing them to airport officials before boarding a flight, and receiving them again at their destination.

As the Bill stood, such weapons could only be transported by air with the written permission of the Minister.

Mr Schoeman said in reply that it was not his intention to do away with this procedure through the provisions of the Bill and that he could delegate his powers to airport authorities.

Individuals carrying their rifles on private aircraft on hunting trips would also not be affected.

After further discussion with Opposition members during the committee stage, he conceded that an amendment to the clause might be desirable and asked for an opportunity to discuss possible amendments with his department before proceeding with the measure.

He made it clear that the only intention was to prevent those transporting weapons with a view to committing acts of terrorism or war.

BANNING ORDERS LIFTED FOR 24

Johannesburg RAND DAILY MAIL in English 1 Aug 81 p 2

[Article by Ameen Akhalwaya and Riaan de Villiers]

[Text]

THE Government has removed banning orders on 24 people — but a 30-month banning and house arrest order was imposed yesterday on the new president of the Media Workers' Association of South Africa, Mr Charles Nqakula.

At the same time, five-year banning orders were reimposed on Natal sociologist Mrs Fatima Meer, whose first five-year orders expired yesterday.

The banning and house orders on Mrs Alberthina Sisulu, 63, who has been restricted since 1964, also expired yesterday. By early last night they had not been reimposed.

Policy

The Minister of Justice, Mr Kobie Coetsee, said he had decided to withdraw the notices, under the Internal Security Act, served on the 24 people in terms of his policy of reviewing such restrictions individually.

Among those whose restrictions are to be withdrawn are Mr Ishmael Mkhabela, founder chairman of the Azanian People's Organisation (Azapo), and several people involved in the trade union movement who were banned in the massive Government crackdown on unionists at the end of 1976.

The orders imposed on two other black consciousness figures, Mr Radichaba Kenneth Matime and Mr Kenneth Matime, were also lifted yesterday.

The banning of Mr Nqakula, of King Williams Town, brought to six the number of Mwasa leaders placed under house arrest banned in the past

seven months, and to 13 the number of black journalists banned in the past five years.

Mr Joe Thloloe, former president of the now-banned Union of Black Journalists, Mr Phil Mtshkulu, Mwasa's acting president after Mr Sisulu's banning, national executive member Mr Marimuthu Subramoney, and branch official Mr Mathatha Tsedu were all banned and placed under house arrest for three years.

Mr Nqakula is restricted until December 31 1983.

People involved in labour affairs banned during the 1976 crackdown whose restrictions are to be lifted include: Miss Vilma van Blerk, then of the Cape-based Food and Canning Workers' Union; Miss Debbie Budlender and Mr Willie Hofmeyr, then members of the Nussas wages commission; and Mr Graeme Bloch, a Cape Town student leader.

Also included are former officials of the Metal and Allied Workers Union Mr Alpheus Mthetwa, general secretary, Mr Sipho Kubeka, Transvaal branch secretary, Mr Gavin Andersson, organiser in the Transvaal and Mr Moses Ndlovu, organiser in Maritzburg, and Miss Pat Horn, then education officer for the Institute for Industrial Education, involved in literacy projects for black workers.

The orders of several people banned during that crackdown have since been lifted and others have left the country.

But, as far as could be ascertained yesterday, seven people banned at the time who are

still in South Africa have not had their restrictions lifted.

They are Miss Judy Favish, Mr Jeremy Baskin, Miss Mary Simons and her sister, Miss Tanya Simons, Mr Chris Albertyn, Mr Alan Aderem and Mr Jack Lewis.

Mrs Meer is currently involved in a court case challenging the validity of the orders first imposed on her in 1976.

Mrs Sisulu, mother of the banned former Mwasa president and wife of Mr Walter Sisulu, the ANC leader serving a life sentence on Robben Island, lives in Orlando, Soweto.

In a statement yesterday, Mwasa's national executive said: "The cowardly and vi-

cious Pretoria regime has once again demonstrated its utter contempt for justice and the rule of law by banning yet another leader of black media workers, Mr Charles Nqakula.

The trade union movement expressed its "outrage" at the bannings, and condemned them as attempts to silence the trade union movement.

The full list of those whose restrictions are to be lifted is:

Wima Daphne van Bieik, Deborah Jean Budender, William Andrew Hofmeyer, Graeme Bloch, Robert Cedric Wilcox, Frank Anthony, Nobunilo Hilary Mchase, Vuvumusi Arweel, Masuli Moko Jackson Fuzile, Jack Phambuzile Ndaba, Matthews Mlungu Makalima, Maxwell Mnyakase, Gavin Michael Anderson, Patricia Horn, Amina Sulman Nagdee Dada, Sipho Andrew Kuleka (Khevela), Luckybet Maseya, Nkosinathi Benson Fikile Ishmael Mkhabela, Mqame Joseph Mqame, Alpheus Mkhame, Moses Ndlovu Jackson Thobel Msoane and Radichabe Kenneth Msoane.

CSO: 4700/352

BRIEFS

CONFISCATION OF JACOB'S PASSPORT--The Director of the South African Council of Churches' Mission and Evangelism Commission, the Reverend Sol Jacob, has had his passport withdrawn by the South African Government, the council's director of communication said in Johannesburg yesterday. Mr Jacob, who was recently released after 45 days' detention, had his passport confiscated by policemen who came to his house in Pietermaritzburg on Tuesday. Mr Jacob had earlier travelled to Botswana, Swaziland, Lesotho, Zimbabwe and Zambia, where he preached to and collected information from South African refugees living in those countries. [Excerpts] [Johannesburg THE CITIZEN in English 13 Aug 81 p 7]

EXPULSED INDIAN STUDENTS--Durban--Forty of the 400 Indian high school pupils expelled in May have been re-admitted to classes after yesterday's meeting with the Director of Indian Education, Mr Gabriel Krog. Parents described the meeting as "a waste of time and an insult to our intelligence." The 40 pupils, who will be allowed back to school next week, are all in standard seven. The future of the remaining eight, nine and 10 would be reviewed, Mr Krog said. The pupils were expelled after the sporadic boycotting of classes in protest against the Republic Day festival. Telegrams to the Prime Minister and Mr Chris Heunis, Minister of Internal Affairs, for the re-instatement of the pupils and the replacement of Mr Krog, apparently had no effect. The fight to have their children re-admitted took a new turn this week when a group of parents and Indian leaders approached Mr Harry Pitman, MP, to bring an urgent application in the Supreme Court. It was expected to be heard next week. [Excerpts] [Johannesburg THE CITIZEN in English 15 Aug 81 p 7]

IMMORALITY ACT CONVICTIONS--More than 50 people had been convicted under Section 16 of the Immorality Act during first six months of this year, the Minister of Justice, Mr Kobie Coetsee, said yesterday. Replying to a question by Mrs Helen Suzman (PFP Houghton), Mr Coetsee said 102 people had been prosecuted and 55 had been convicted. A further 38 were still on trial or awaiting trial. [Text] [Johannesburg THE CITIZEN in English 15 Aug 81 p 4]

INTERNAL SECURITY ACT RESTRICTEES--A total of 97 people were now restricted in South Africa under the Internal Security Act, the Minister of Justice, Mr Kobie Coetsee said yesterday. Replying to Mrs Helen Suzman (PFP Houghton) Mr Coetsee said of these people, 36 had left South Africa. [Text] [Johannesburg RAND DAILY MAIL in English 6 Aug 81 p 8]

PUBLISHER'S AGREEMENT WITH UNION--Allied Publishing, distributor of all major English-language newspapers, has signed a recognition agreement with the black Commercial, Catering and Allied Workers' Union. Allied said yesterday the agreement included a formal grievance procedure, and procedures for the involvement of union shop stewards in day to day shop floor matters. The agreement also permitted negotiations to take place at company level and applied to all Allied premises in the Transvaal and Free State. The union, which is affiliated to the Council of Unions of South Africa, has been provisionally recognised by Allied since last year and has already negotiated wages with the firm. [Text] [Johannesburg RAND DAILY MAIL in English 6 Aug 81 p 3]

OPEN PUBLIC SERVICE PROPOSAL--Cape Town--The principles of an open public service, freedom of political association, a common voters' roll and representation not based on ethnicity should be built into any new constitutional dispensation for South Africa, the General Secretary of the Public Service League, Mr B Q F Wentzel, said yesterday. He was giving evidence before the Constitutional Committee of the President's Council in Cape Town with a colleague, Mr J White, on behalf of the league which represents about 15 000 non-Whites employed in Government services. Mr Wentzel said by the year 2000 there would be more than 50-million people in the country. He said the State, as an employer responsible for the welfare of its employees, would have to plan ahead to meet future demands. While public servants could not directly participate in politics, they nevertheless put into effect central authority policies. The league was not in favour of separate parliaments for Indians, Coloureds and Whites as this would split their loyalty to the country and would limit promotional opportunities for each group within its own parliament. There should be only one Public Service Commission for every one, one parliament and proportional representation. A common voters' roll and freedom of political association were also necessary, he said. [Excerpt] [Johannesburg THE CITIZEN in English 14 Aug 81 p 9]

NEW SAR CHAIRMAN--Cape Town--A member of the SA Railways and Harbours Service Commission, Mr H S Erasmus, has been appointed chairman of the Commission from August 1. He succeeds Mr D W Ackermann, who has been appointed assistant chief electrical engineer (power), in the chief electrical engineer's office, Johannesburg. [Text] [Johannesburg THE CITIZEN in English 13 Aug 81 p 5]

FRENCH MEDAL FOR BUTHELEZI--Durban--The French Ambassador to South Africa, Mr Bernard Dorin, will present a French medal of merit to the KwaZulu Chief Minister, Chief Gatsha Buthelezi, at Ulundi today. [Text] [Johannesburg THE CITIZEN in English 15 Aug 81 p 5]

SOUTHERN AFRICA DEVELOPMENT BANK--South Africa will invest R17-million as an initial subscription to the capital of a multi-national development bank for Southern Africa, said Mr Horwood. Mr Horwood said the money would come from his budgeted R309-million surplus and that negotiations had been conducted with the Transkei, Bophuthatswana, Venda and the self-governing national states to participate as founder members. "Negotiations with the initial participating states have already reached an advanced stage and the articles of agreement constituting the envisaged development bank are now being drawn up," he said. The bank was aimed at being a vehicle for development assistance to economic regions on the sub-continent and would take over from the relevant government departments most programmes of

economic development assistance to member states. To ensure the bank's success, "it will have to attract funds from both domestic and foreign sources and secure the involvement of the private sector as well as the public sector." Although the bank would be financed mainly by South Africa initially he was sure other member states would like to raise their own financial contributions gradually as they experienced the benefits of participation. The self-governing national states would be constituent parts of the South African membership and it was hoped that at least all the governments of the Customs Union would be interested in enjoying "the economic benefits. [Text] [Johannesburg THE CITIZEN in English 13 Aug 81 p 10]

SASOL CATALYSTS PLANT--The first trial runs at African Catalysts' new R5-million plant in Sasolburg have just been completed successfully. The plant is a joint venture between Suedchemie of Germany, the Industrial Development Corporation, and Sasol, and will produce catalysts for the Sasol oil-from-coal process which until now have had to be imported. On hand for the trial runs was Dr. C. Hofstadt, chairman of African Catalysts and a member of the board of management of Suedchemie, who said he was "delighted" with the rapid progress made with the construction of the plant. One of the main feed-stocks for African Catalysts is being supplied locally by Hoechst South Africa. This feedstock will be supplied primarily from the New Hoechst polyphosphoric acid plant in Kurgersdorp--also a R5-million investment. The managing director of Hoechst South Africa [as printed], Mr A.L. Baltzer, said that work on the Krugersdorp plant was making good progress and it would be in full operation during next year. [Text] [Johannesburg THE CITIZEN in English 13 Aug 81 p 21]

CENSUS OF MEDICAL PRACTITIONERS--South Africa has at least 12 638 medical practitioners, according to the latest statistics released in Pretoria. A statement by the Department of Statistics said the figures were preliminary results of a census of medical practitioners taken in 1979. A report with detailed information would be released later. For the 1979 census questionnaires were sent to 14 691 medical practitioners whose addresses appeared on the register of the Medical and Dental Council. It was established that 1 586 were abroad, had died or could, for some reason, not participate. No response was obtained from 281 addresses and 186 returns could not be used because of irregularities. Eventually 12 638 returns were processed and tabulated, the department said. The statistics showed that 10 975 practitioners were White, 230 were Coloured, 1 266 were Asians and 167 were Blacks. Of these 5 053 were in private practice, 6 591 were in salaried employment, 865 were retired and 129 were awaiting employment or to start practising. Of those in private practice, 3 374 were general practitioners and 1 679 were specialists. [Text] [Johannesburg RAND DAILY MAIL in English 1 Aug 81 p 5]

TRADE WITH GREECE--Athens--South African diplomatic sources in Athens are confident that Greece's seven-month old membership of the European Economic Community is not having an adverse effect on trade between the two countries. Exports from South Africa to Greece are expected to rise during 1981, continuing their steady growth of the past few years. South African exports to Greece during 1980 totalled R41,7-million, according to the National Statistical Service of Greece. This represented an increase of R7,8-million over South African exports in 1979. Leading South African exports to Greece are iron and steel (around R11,7-million during 1980, a R5,2-million increase over 1979) and metalliferous ore and metal scrap (R7,9-million in 1980, an increase of R381 000). Meat and meat products were the third largest

South African export (R5,8-million in 1980), followed by textile fibres (R4-million) and fertilisers (R3,3-million). The balance of trade is strongly in South Africa's favour, with South African imports from Greece during 1980 running to only about R3,5-million. Leading Greek imports to South Africa include fertilisers, petroleum, petroleum products and related minerals and footwear. [Text] [Johannesburg THE STAR in English 3 Aug 81 p 21]

RECORD AUTO SALES--The July sales figures for new vehicles have resulted in the breaking of overall and individual records, with the total sales of 41 992 new vehicles achieving an all-time monthly high for the motor industry. The breakdown of figures released by the National Association of Automotive Manufacturers of South Africa (Naamsa), reveal that 27 384 new passenger cars were sold during the month, improving on the previous record of 26 820 units sold in May, 1981. Commercial vehicle sales also rose to 14 608 units being sold to better the previous record established in October, 1975 by 1 230. The figure reflects a 30,3 percent increase over results for the corresponding month in 1980. Naamsa's figures show improvements on every statistical permutation to be derived from a very buoyant motor industry. The combined (passenger and commercial) total sales figures show an increase of 18,2 percent over the figures recorded in July, 1980, and a 10.2 percent increase over figures recorded in June. "A fairly significant slowdown in the rate of growth of demand for new vehicles can be expected in the months ahead," said Mr Peter Searle, president of Naamsa. "To some extent this is already becoming apparent in the used car market, where difficulty is being experienced in the financing of pre-1978-79 cars. "This indicates the possibility of reduced markets in the months ahead. [Excerpts] [Johannesburg THE CITIZEN in English 15 Aug 81 p 15]

MILITARY AWARDS--The Officer Commanding the South West Africa Territory Force, Major-General Charles Lloyd, received the Southern Cross Medal at a parade at Defence Headquarters in Pretoria yesterday. At the parade four other senior officers received the Southern Cross Medal and a warrant officer received the Pro Merito decoration. The Chief of the Army, Lieutenant-General Jannie Geldenhuys, presented the medals on behalf of the Chief of the Defence Force, General Constand Viljoen. The Southern Cross decoration is presented to officers who distinguish themselves by outstanding service of the highest order and utmost devotion to duty. The Pro Merito decoration is awarded to other ranks on the same merits. Other officers who received the Southern Cross decoration yesterday were Brigadier Andreas Liebenberg, Director Operations, Brigadier Frans van den Berg, Officer Commanding the Army Battle School. Brigadier Hercules Viljoen, of Defence Headquarters, and Colonel Raymond Ledingham, Officer Commanding Border Sub-Command. Warrant Officer Durban Green, of the School of Armour in Bloemfontein, received the Pro Merito decoration. [Text] [Johannesburg THE CITIZEN in English 15 Aug 81 p 5]

CSO: 4700/352

NYERERE ASKS IDEOLOGICAL SCHOOLS TO FOSTER SOCIALIST IDEAS

Dar es Salaam DAILY NEWS in English 30 Jul 81 p 1

[Article by Danford Mpumilwa]

[Excerpt]

CCM Chairman Mwalimu Nyerere has urged the Party's ideological colleges to continue their role of promoting socialist dialogue, encouraging freedom of thought and discussion.

Mwalimu said this yesterday in his address to mark the 20th anniversary of the founding of the Kivukoni Party Ideological College in Dar es Salaam.

He told staff, students, college alumnus as well as Party and government leaders that Kivukoni and its eight zonal colleges must be in the forefront in ensuring the people's freedom to think and to act.

However, Mwalimu said: "In our free thought we must never become mere receptacles for foreign ideologies. We must become masters of our own destiny, digesting and analysing ideas in the context of the situation obtaining in the country".

This, he explained, did not mean rejecting ideas from other people. People must learn from systems evolved by other mankind in order to evolve a socialist, just and democratic society in the country.

Mwalimu said the Party ideological colleges should help in liberating Tanzanians from any remaining colonial mentality, the task assigned to Kivukoni when it was established only a few months before independence.

The Party Chairman said the college's responsibilities were ever more necessary in view of the current imperialist manoeuvres to dominate thoughts and suppress those of smaller countries.

He condemned suggestions that the college should establish a system whereby its graduates would be awarded certificates upon completion of their studies.

The education offered by the college was aimed at liberating one's mind. "Basically, education is like health and ignorance is like a disease. One who remains healthy does not need a certificate or some special reward for being so," he explained.

"We therefore, do not need to award a certificate to anyone who undertakes a course aimed at liberating his mentality, making him a good socialist. We only want to see his actions and ideas to know if he has become a socialist or not. But not a certificate," Mwalimu stressed.

It was possible for one to have a certificate showing that he had gone through the college with flying colours, but when it came to practical reality, he proved to be far from having the qualities of a Kivukoni graduate, he said.

Mwalimu also said the college would continue to enroll its students through a selection system. He refuted criticisms that the college was not being fully utilised by the Party to train its functionaries and that most of those selected from public institutions went to the college thinking it was a punishment.

"We will be making a big mistake to enroll only Party functionaries into the college. We want all those in different leadership positions in the country to be fully conversant with the Party policy.

The Party Chairman pointed out that soon after completion of the course provided by the college, those selected came with full praise of what they had learnt.

"Those who think that their formal education is enough to

understand our society and that there is no need to go through Kivukoni, are ignorant, indeed. For they are ignorant of what they do not know", he explained.

Mwalimu paid tribute to all those who had helped establish the college at the difficult initial stage. These include the thousands of Tanzanians who had made material contributions towards the college fund in the late 1950s. He made special mention of Ndugu Joan Wicken who had been treasurer of the fund and the late Karimjee who had generously contributed 1.2 million/-.

Earlier, the Party Chairman, accompanied by Party Vice-Chairman Aboud Jumbe, officially opened a new 500,000/- Party branch at the college.

CSO: 4700/340

MINISTER URGES UTAFITI COLLABORATION WITH SCIENTISTS

Dar es Salaam DAILY NEWS in English 5 Aug 81 p 3

[Article by Emma Faraji]

[Text]

THE Tanzania National Scientific Research Council (UTAFITI) has been urged to collaborate with scientists and technocrats in various institutions in the country to enhance research geared towards solving the country's development problems.

Addressing members of the UTAFFITI Board at their 11th council meeting in Dar es Salaam yesterday, the Minister for Planning and Economic Affairs, Ndugu Kighoma Malima said that the use of science and technology in the country should increase the ability to plan and implement development projects.

It is imperative that UTAFFITI seeks to increase the people's ability to control their environment, the Minister said.

He said that the poor economic situation in the country presently calls for UTAFFITI to stress on research that would develop

and improve efficiency and production in all sectors of the economy.

To achieve this goal, the Minister advised UTAFFITI to have greater recourse to raw materials and inputs found in the country.

Referring to the recently approved Government bill on special awards to inventors who contributed to socio-economic development, the Minister said UTAFFITI must ensure that the award acted as a real incentive to potential inventors.

Ndugu Malima stressed that the award should be granted in fair and frank conditions and cautioned against favouritism during the selection exercise.

Likewise, UTAFFITI must not feel compelled to give an award to any one person in a given year if no person has proved himself worthy of the award, Ndugu Malima said.

Ndugu Malima later recommended that UTAFFITI start laying short and long term plans for its activities.

JUMBE REITERATES GOVERNMENT'S GUARANTEE OF FREEDOM OF WORSHIP

Dar es Salaam DAILY NEWS in English 5 Aug 81 p 1

[Text]

THE Vice President, Ndugu Aboud Jumbe has reiterated that the government would continue to respect the right and freedom of worship in the country as guaranteed under the Party and government constitutions.

Speaking at a preparatory meeting for the proposed National Mosque Council on Monday, Al-Haj' Jumbe said alongside protecting this right the government would encourage the cultivation of good relations between followers of the various religious denominations in Tanzania.

On the proposed Mosque Council and similar mini-councils at district and regional levels, Al-Haj' Jumbe said the new bodies were intended to stream-line and strengthen Islam, and enhance existing good relations between Muslims and non-Muslims in the country.

He rejected the notion that the formation of the new council would polarise relations between Muslims and members of other religious sects in Tanzania. 'The councils would help to further strengthen and harmonise unity of the citizens,' he said.

He told the 180 Imams (religious ministers) from all

over Tanzania who are in Zanzibar for a meeting which will elect office bearers for the proposed national Mosque Council scheduled for today, that Tanzania had never and would never experience religious conflict.

'The Party and government constitutions guarantee the freedom of religious beliefs in Tanzania and the right for believers to organise themselves for religious purposes,' he said.

At Monday's preparatory meeting, the Imams endorsed proposals for interim constitution for the council and nominated candidates for the chairman and deputy chairman, the secretary general and his deputy and directors.

The elections for the leaders were expected to be finalised later yesterday before the meeting for launching the national Mosque Council convenes at the Mbweni Technical College in Zanzibar today.

The one-day meeting organised jointly by the Muslim Council of Tanzania (BAKWATA) and the Muslim Community in Zanzibar is also to be attended by representatives of muslim communities in neighbouring Kenya, Uganda, Sudan, Malawi, Zambia and Burundi.

WESTERN NATIONS' AID TO SOUTH AFRICA CONDEMNED

Dar es Salaam UHURU in Swahili 7 Aug 81 p 6

[Editorial: "Our Views"]

[Text] The commanding general of the South-West Africa Territory Forces [SWATF] in Namibia, General Lloyd, told reporters of foreign countries that his forces have attacked Angola again and again. This Boor boasted that this combat occurs daily.

The provocation of the Boors against the citizens of Angola is not a secret matter in the world. But the remarks of the Boor Lloyd show how the Boors feel pride in conducting their provocation, which causes considerable losses of people's lives and property in Angola.

It is estimated that during a 3 year period, the provocation of the Boors in Angola has caused not less than 3,000 deaths and the wounding of other people.

As usual, the Boors are trying to deceive the world [by claiming] that their assaults are directed against the SWAPO freedom fighters. The truth is that the attacks which are conducted by the Boors are directed against refugees and unarmed civilians.

The SWAPO freedom fighters are conducting struggles inside Namibia because their objective is to liberate their country, Namibia, and not Angola. Those whom the Boors are attacking and calling freedom fighters are either unarmed citizens of Namibia who fled to Angola to save themselves as a result of oppression or citizens of Angola. And those camps which the Boors call freedom fighter camps are centers for safeguarding these refugees.

But the fascists do not know the difference between different people when they engage in their evil. A small child, an old woman and even a sick person will be attacked by the fascists in order to maintain this oppression. The Boors do not respect people's lives, especially those of citizens of the country.

Unfortunately, together with fascism and its provocation, the government of the Boors has been given strength by the western nations. The economic and military aid which the government of the Boors is obtaining from the western nations gives the Pretoria government arrogance and power to trample human rights' and the rights of adjacent independent countries.

The effort to cause difficulties for the government of the Boers has been hindered by the veto vote of the western nations without that matter reaching the UN Security Council.

It is clear that the western nations are not prepared to help to eliminate colonialism and racial discrimination in Namibia and South Africa. The western nations are trying to confuse matters in order to give the government of the Boers more time to strengthen itself.

It would be appropriate now for Africa to be concerned especially with good methods of fighting the Boers instead of listening to the deception of the western nations. By doing so, African can seek aid from friends who doubtless are prepared to help to destroy the final colonial fortress of South Africa.

CSO: 4749/12

SIDO SPOKESMAN REPORTS ON RESULTS OF OPERATIONS SINCE 1978

Dar es Salaam DAILY NEWS in English 5 Aug 81 p 3

[Article by Isaac Mruma]

[Text]

A total of 411 small scale factory units were established in the country between 1978 and June this year, the Small Industries Development Organisation (SIDO) reported yesterday.

Another 240 units are at different stages of implementation, SIDO spokesman said.

All the units, totalling 651, are estimated to produce goods worth 1,076m/- and would employ 20,502 people, he added. The units would be established with a fixed capital of 596m/-.

The units are part of the 1,067 factory-type units envisaged to be set up under SIDO's five-year development plan starting 1978/79.

The spokesman said during the three year period ending 1981, a total of 504 non-factory industrial units were established in 400 villages, against the target of 1,229 units.

A census conducted throughout the country showed that there were 3,978 small units spread in all regions producing goods worth 845.3m/-. The units, with an investment in fixed capital of 369.7m/-, provide employment to 52,284 people.

Out of these 782 were factory type units. Factory type units are those registered un-

der the factories act and which employed more than 10 people. Non-factory units are related to the crafts.

According to the SIDO spokesman, the remaining targetted units would be implemented during the rest of the plan period. More emphasis would be placed on the contribution of the priority areas with the aim of making the small scale drive "formal".

The priority areas are agro-based industries, building materials clothing and apparel, educational requirements, hospital and health requirements, transport related items, food and food-based items, and household requirements.

On the industrial estate programme the spokesman said of the 20 estates envisaged during the three years ending 1981, only five were working and had 76 factory units.

He explained that the dismal performance was the result of lack of foreign exchange and the unavailability of building materials.

On the training of artisans, he said the number of those trained in SIDO training centres were 455 in 1978, and 1,000 in 1979, 675 the following year and 600 in 1981.

REAL ECONOMIC DEVELOPMENT DEPENDS ON SCIENCE, TECHNOLOGY

Dar es Salaam UHURU in Swahili 5 Aug 81 p 6

[Editorial: "Our Views"]

[Text] It is an incontrovertible fact that no nation can obtain real economic and social development without developing science and technology. It was by bearing in mind this fact and its importance that our government decided to establish the national council for scientific research under law No 51 which was passed by the National Assembly in 1968. As the minister for planning and the economy [listed in NFAC reference aid as minister of state, Vice President's Office for Economic Affairs], Kighoma Malima, said yesterday in the city of Dar es Salaam when opening the session of this council, in general the work of the council can be broken down into two main parts.

The first part is that which concerns the coordination of all kinds of scientific research which takes place in the country and the second part concerns the provision of advice concerning important questions relating to scientific research in the country, and especially steps which are suitable to be taken by the government along with other institutions to improve scientific research work and economic and social development.

But, even after passing the 1968 law and after the council began its work officially in 1972, it was still apparent that there was insufficient incentive to encourage the national council of scientific research.

To correct this situation, the government made a revision recently of the law relating to this council which makes possible the provision of special honors and incentives to those who are making [scientific] discoveries which aid production and other development tasks.

After all these steps taken by the government, the citizens will retain a desire to see the council implement its responsibility with more capability to help it obtain more and better results in the development of science and technology in our country. In the work of conducting research and developing science and technology, a country like Tanzania is confronted with some difficulties. For example, the country was confronted recently with difficult economic conditions. These conditions did not give us leave to deadlock altogether the important work of research and the development of science and technology.

Doubtless, as a result of these difficult economic conditions, the council must conduct its work in accordance with the real situation and thus stress more research concerning the use of raw materials and natural resources which are obtainable here in the country. Also it must be borne in mind that the final objective of scientific and technical research in our country is to complete the Tanzanian's independence. This is to say that the research conducted must be able to increase the citizens' ability to control their environment, overcome their problems and then obtain a better life which ensures their complete independence.

CSO: 4749/14

CARBON DIOXIDE GAS PLANT CONSTRUCTION BEGINS

Dar es Salaam DAILY NEWS in English 30 Jul 81 p 3

[Article by Isaac Mruma]

[Text]

CONSTRUCTION has started on buildings for the super quality carbon dioxide gas plant at Kyejo in Mbeya's Rungwe District.

A spokesman of the Tanzania Oxygen Limited (TOL) said yesterday in Dar es Salaam that work which started this month would take approximately 33 weeks.

TOL and the National Development Corporation (NDC) jointly own the Kyejo carbon dioxide project.

The spokesman said the tender for the civil works at Kyejo had been awarded to a Mbeya contractor, Dalip Singh.

The works include building of a single building for the plant. The building to house the offices, shop for the plant and a workshop would cover an area of 326 square metres, according to earlier reports.

A manager's house would also be built at the plant site near Mallow Mission.

The plant for processing the gas would be shipped from Denmark this September.

According to the spokesman, the plant would arrive here in about two month's time.

Earlier reports said installation of the plant would start at the end of this

year or early next year. Processing work is expected to start in January or February.

The quantity of carbon dioxide at Kyejo is estimated at several million cubic metres, enough to meet the country's demand for industrial carbon dioxide for the next 20 to 25 years.

The gas from the boreholes that had been drilled at Kyejo would be trapped, purified and later compressed into liquid and solid form for transportation to various areas in the country. Some of it would be exported to neighbouring countries.

The plant is expected to have an initial capacity of 300 kilogrammes of gas an hour on a single shift.

The total cost of the Kyejo project is estimated to be 17m/- of which 10m/- would be for the plant and distribution equipment and the balance for other works.

Drilling of the gas at Kyejo started in 1979. According to a report on the deposits, the gas found there is 98 per cent pure.

Large deposits of natural carbon dioxide have also been found in other neighbouring areas along the volcanic and gas-rich volcanic mountains.

PETROLEUM RATIONING SYSTEM ENCOUNTER SNAGS IN IMPLEMENTATION

Dar es Salaam DAILY NEWS in English 1 Aug 81 pp 1, 3

[Article by Isaac Mruma]

[Text]

THE just reviewed fuel rationing system, which extends the validity of ration cards to a period of six months instead of one month, has hit some implementation snags.

Several motorists, have failed to beat the deadline set. This is especially so in connection with motorists registered with petrol stations whose schedule for obtaining the six-month ration cards fell between July 23 and 29.

A quick survey made in Dar es Salaam by this newspaper, registered a number of complaints against the re-registration process at the 11 stations falling in this category.

When contacted yesterday about the problems, the Ministry of Water and Energy said it had noted some of the snags and assured motorists who missed the deadline that arrangements were being made for them to buy the fuel ration cards.

A ministry spokesman said the government was aware of some of the problems that had

surfaced especially relating to the eleven petrol stations where the exercise begun on July 23.

At the stations, a number of motorists who had earlier registered here under the one-month system, did not turn up to buy the new cards within the allowed period. The six-month card system comes into force on August 10.

The poor turn up varied from station to station, but was generally attributed to late arrival of registration clerks and presence of traffic police to ascertain the authenticity of vehicle documents.

It was observed that some of the motorists had entered false numbers on their old cards which did not tally with those on the engines and chassis.

Motorists with defective vehicles, according to the survey, were scared off by the presence of traffic police whom they thought were checking the vehicles' roadworthiness. They were not too sure of the conditions of their

vehicles. They turned back.

At one of the petrol stations it was reported that some of its regular customers did not turn up to buy the new cards because their vehicles were outside Dar es Salaam between July 23 and 29.

At Makutano Service Station opposite the National Bus Services (KAMATA) offices along Msimbazi/Pugu roads, only 269 people had bought the new cards by July 29.

The station had registered more than 1,000 vehicles owners for the current rationing term.

Vehicle owner, who spent almost the whole of Wednesday waiting to buy his card complained on Thursday that he was asked by the clerks to return the next day apparently because time had run out.

He complained that the clerks, who were supposed to report at the stations at 8 a.m. in the morning, instead arrived at 9 a.m. and left at around 3 p.m. instead of at 4.30 p.m.

CSO: 4700/340

TRC MANAGER NOTES PROJECTS, FOREIGN AID, EARNINGS

Dar es Salaam DAILY NEWS in English 31 Jul 81 p 3

[Article by Halima Shariff]

[Text]

THE Tanzania Railways Corporation (TRC) needs 1.5b/- to implement a long-term project to improve central and Tanga lines, the TRC General Manager, Ndugu Tom Mmari said in Dar es Salaam yesterday.

Ndugu Mmari said that the money, of which 1.1b/- would be in foreign exchange, was estimated only for rail track laying work which had already started, adding that strengthening bridges, improving telecommunications system would cost the corporation "much more".

In the project, TRC would have to cover 2580.24 kilometres of rail. It has so far covered 376 kilometres from Dar es Salaam along the Central Line, Ndugu Mmari added.

The General Manager said that Canada had granted rails to cover 180 miles and slippers covering a distance of 52 kilometres. "We need more rails and slippers", Ndugu Mmari said.

On bridges, he said that the Federal Republic of Germany (FRG) has in this financial year given a grant of 60m/- for strengthening some of the bridges along the Central

Line. FRG experts were currently doing the design work for 16 bridges, which he said needed "urgent repair".

The 125 bridges along the line were built between 1905 and 1959 and were designed to carry fewer wagons and less powerful engines compared to the present load they are forced to carry.

Meanwhile, Ndugu Mmari said that Canada and the European Economic Community (EEC) have promised to provide TRC with one set each of ballast quarry equipment. TRC needs at least 12 sets of the equipment.

He said the Danish International Development Agency (DANIDA) pledged to give TRC funds for the machines adding that DANIDA and the Tanzania Government were discussing the issue.

The corporation has meanwhile reported earnings totalling 485,487,000/- last year — two per cent below target.

Ndugu Mmari said that the performance was far better than that of 1979 when TRC realised only 358,836,000/- from its operations.

TRC expects to earn a total of 496.94m/- this year.

NON-ALIGNED SEMINAR SCHEDULED IN DAR ES SALAAM

Dar es Salaam DAILY NEWS in English 1 Aug 81 p 1

[Text]

A seminar on the "achievements and problems" of the Non-Aligned movement will be held in Dar es Salaam as part of celebrations marking the movement's 20th anniversary on September 1, this year.

The seminar, to be held from August 25 to 27, will be sponsored by the Dar es Salaam-based Mozambique-Tanzania Centre for Foreign Relations.

The centre's Director, Ndugu O.H. Tesha, told *Shikara* yesterday that during the seminar, lectures would be given on various aspects of non-alignment, including its origin and its contribution to world peace and to the liberation of dependent territories.

The seminar will also discuss the role of the Non-Aligned movement in international economic co-operation, particularly among developing countries, the search for a new international

economic order and the consolidation of national independence and world peace.

The lectures will be delivered at the conference hall of the Institute of Finance Management.

Ndugu Tesha explained that the seminar follows a resolution passed early this year by the last ministerial conference of the Non-Aligned movement in New Delhi that each non-aligned country should mark the movement's 20th anniversary.

'In this connection, it was proposed that seminars reviewing the movement would be the most appropriate context in which to mark the coming of age of the movement', Ndugu Tesha said.

Yugoslavia, a founder member of the movement, has meanwhile invited national delegations from Non-Aligned countries to Belgrade to mark the anniversary.

CSO: 4700/340

OCM-SACCO TO PURCHASE TWENTY PERCENT OF SHUMA SHARES

Dar es Salaam DAILY NEWS in English 6 Aug 81 p 3

[Text]

AN Italian firm — OCM SACCO —has decided to become a shareholder in the proposed 320m/- Arusha agro-industrial complex due for launching before the end of the year.

OCM SACCO will take up 20 per cent of the total equity capital shares in the project, the General Manager of Arusha Municipal Development Corporation (SHUMA), Ndugu Noel C. Kaaya, revealed in Arusha yesterday on arrival from Rome.

As a holding company, SHUMA will take up 51 per cent of the shares while the remaining 29 per cent of the shares are to be sold to any firm that would be able to make its contribution in foreign exchange, Ndugu Kaaya said.

He explained that with assistance of the United Nations Development Programme (UNDP) and the

United Nations Industrial Development Organisation (UNIDO), a foreign company would be secured as the third partner in order to ensure the balancing of management capabilities and resources of the project.

To be implemented in four phases, the Arusha agro-industrial complex will include a 10,000-hectare pilot yellow maize farm which is intended to provide about 75 per cent of raw materials to subsidiary poultry and piggery projects.

The complex will have its own slaughter houses for processing and packing pork and poultry meat for export.

At a meeting held in Rome with OCM SACCO officials under the patronage of the Tanzania Embassy, the Tanzania delegation led by Ambassador Abbas Sykes suggested that the entire venture should be scaled down to reduce the foreign exchange burden on the country.

The delegation, which also included the SHUMA Board of Directors Chairman, Ndugu Abdul C. Faraji, also suggested that a dairy farm should be set up as a sideline project.

Another consultative conference of OCM SACCO experts and officials from the ministries of Livestock Development, Development Planning, Prime Minister's Office, Bank of Tanzania and SHUMA, is to be held in Tanzania next month to review the project proposals and financial terms pending formal confirmation by the Government.

Meanwhile, Ndugu Kaaya said the project feasibility study is being reviewed before final decisions are taken.

When commissioned, the agro-industrial complex will breed a maximum of 10,000 swines per annum and turn out 40,000 tonnes of animal feeds of which 34,000 tonnes are to be sold to farmers.

CSO: 4700/340

ARRIVAL OF FIRST SHIPMENT OF AIRPORT MODERNIZATION MATERIALS

Dar es Salaam DAILY NEWS in English 5 Aug 81 p 1

[Article by Halima Shariff]

[Text]

THE first consignment of 2,500 tons of building equipment and materials for modernisation of the Dar es Salaam International Airport arrived last Monday and off-loading began on the same day.

According to NOTCO (Tanzania) Limited Claims Manager, Ndugu N. Kazaura, the equipment, which arrived aboard MV "Leon R.E." from the French port of Marseilles, had been cleared and was being taken to the site at the airport.

Construction work, to be undertaken by a French construction firm — Messrs Bouygues is expected to begin in September. The project is financed by a loan from the French Government.

The Ministry of Works reached an agreement with the firm last December for the implementation of the 700m/- airport's modernisation

programme which was planned by another French firm, Aeroport de Paris — the supervisors of the project.

The Project Manager, Mr. P. Madjedi, said yesterday that the second consignment of 2,500 tons would arrive towards the end of this month, adding that delivery of the over 50,000 tons of equipment would take one year.

The equipment, he said, included 5.8m/- worth of plant machinery, bulldozers, tracks, hydraulic cranes and other machinery.

The programme aims at modernising the 1955-model airport to enable it handle increasing air traffic for the next 20 years.

The airport is expected to handle about 955,000 passengers in 1985 and some 1,610,000 in 1990, according to earlier reports.

CSO: 4700/340

LITERACY EXAMINATIONS FOR ADULTS SCHEDULED

Education Ministry's Special Publication

Dar es Salaam DAILY NEWS in English 6 Aug 81 p 1

[Text]

OVER three million Mainland adults will sit for literacy examinations during the Evaluation Week starting next Monday and ending six days later.

It was erroneously reported in this newspaper yesterday that the examinations would be held today.

Some 3,477,072 adults will be examined during the week throughout the Mainland's 21 regions. Of the candidates, some 2,018,145 are women and the rest men.

According to a special publication issued by the Ministry of National Education in Dar es Salaam, the National Evaluation Day will be August 10 this year.

However, it said, regions could, if they chose, select appropriate days during the Evaluation Week for holding the examinations.

This arrangement contrasts sharply with that obtaining in the 1975 and 1977 evaluations when only a day was set aside for the examinations.

The publication said an entire week had been allocated for the convenience of both the regions and the examinees.

It said the regions were better placed to pick suitable days because they were more knowledgeable about the real conditions obtaining in their respective areas.

It also said the new arrangement would enable adults missing the examinations on a particular day because of pressing personal problems to be tested on any other day during the week.

It added that the extended examination days would make it easy for officials to deal with unexpected problems, with the least inconvenience to the examinees.

The ministry's publication said after the 1977 evaluation, the Nation resolved to reduce illiteracy from 27 per cent to

15 and even 10 per cent.

It said examinations during the Evaluation week would establish success attained since 1977 and would also facilitate planning for advancing the knowledge of those now literate.

It said it was expected that the results of the examinations on national basis would be announced in December this year.

This announcement would be followed by others on a regional, district, ward, divisional and centre basis.

It was envisaged that the examinations results would have reached all concerned before the end of January next year, the Ministry of National Education's publication said.

President's Appeal

Dar es Salaam DAILY NEWS in English 6 Aug 81 p 1

[Excerpt] President Nyerere last night appealed to adults attending literacy classes in the country to turn out for the Examinations next week and to continue learning after the tests.

In a nation-wide broadcast over Radio Tanzania Dar es Salaam, Mwalimu said the tests would benefit the individual new literates and also enable the Government to assess progress made in the literacy campaign.

"Only when everyone who was illiterate attends classes and takes the tests shall we be able to recognise how far we have gone in eradicating illiteracy", he said.

The President explained that the results of the national tests, to be conducted between August 10 and 16, were vital information for future planning of literacy programmes.

"Without them, (the test results) we shall be like the woman who cooks a meal without being told how many people are coming to eat. The result is either that many go hungry when food could have been ready, or else that very much food is wasted", he said.

Mwalimu told the 3,477,072 adults who are registered for literacy classes: "Knowing how to read and write is like acquiring a new *jembe* or *panga*. It is something very important".

Apart from enabling them to get certificates, which they should be proud of, and also showing how they were doing, literacy gave the learners new power over their lives, he said.

"The more you learn the more exciting learning becomes", he said, adding "it enables you to do your work better".

People who knew how to read and write could not be cheated easily, could exchange private letters with distant friends and relatives and could also discern what was taking place elsewhere in the world through reading newspapers, he said.

He told those registered in the rural areas: "You can also make it more difficult for dishonest people to steal your village money".

"In urban areas, you as a literate person, know which bus to catch, and can find your friend in a new house by reading the street signs", he said.

The President pointed out that it was because of these and other gains which resulted from literacy that the Party and Government continued to ensure that every adult Tanzanian became literate.

CSO: 4700/340

SCOPO SURVEYING EMPLOYMENT OF KENYANS, UGANDANS IN PARASTATALS

Dar es Salaam DAILY NEWS in English 6 Aug 81 p 1

[Article by Isaac Mruma]

[Text]

THE government has launched a country-wide survey on the terms under which citizens of neighbouring countries are employed in Tanzania's parastatals.

The survey will enable the government to evolve the terms under which these people will be engaged and solve various problems encountered when employing non-Tanzanians, especially those from Kenya and Uganda after the collapse of the East African Community (EAC).

The Presidential Standing Committee on Parastatal Organisations (SCOPO), in a circular to all parastatal organisations and public companies, said several citizens of Kenya and Uganda were demanding employment under expatriate terms after the collapse of the EAC whereas they had been employed under local contract terms.

The circular said it was not known how many people from the two countries were employed in parastatals and other companies in the country.

Elaborating, a SCOPO spokesman said the expatriate contract terms differed from the local contract terms on

allowances received by an individual, annual leaves and passages to and from the place of work.

"The local contract terms are not different from the terms under which citizens of this country are employed, only that local citizens are employed on permanent terms while those from neighbouring countries are engaged for specific terms which could be renewed", the spokesman explained.

The SCOPO circular has asked all parastatals and public companies to submit complete data on their employees who came from Kenya and Uganda, stating their full names, the type of work they did, and the terms of their contracts — whether local or expatriate.

The exact date the individual workers were employed should also be clearly stated, the circular said.

All the information should then be submitted to the Ministry of Manpower Development and Administration.

The SCOPO spokesman has asked all the institutions involved to speed up the exercise.

BABU CITES DPRK AS BEING GENUINELY SELF-RELIANT

Dar es Salaam DAILY NEWS in English 7 Aug 81 p 3

[Article by Isaac Mruma]

[Text]

FORMER Tanzanian cabinet minister Abdulrahman Babu said yesterday developing countries should "look inwards" and co-ordinate their productive sectors because this was vital in developing backward economies.

He said in a public lecture at the main campus of the University of Dar es Salaam that developing countries should co-ordinate their individual agricultural and heavy and light industries so that they served each other.

These countries should orientate their economies to serve the local market, he told a capacity audience that jammed the dome-shaped Nkrumah Hall at the hill.

"You don't develop an economy by depending on Paris to be your market," he said in his lecture on "Underdevelopment and the Struggle for Socialism in Africa".

Ndugu Babu, now Visiting Professor of International Relations at US universities and a popular columnist of the London-based monthly *Africa Now*, cited the example of the Democratic People's Republic of Korea (DPRK) as a developing country that had looked inwards in developing its economy.

He said that country of 17 million people was "today the only country of its size that is genuinely self-reliant. We have a lot to learn from it," he said.

He criticised the tendency by some of the developing countries to build socialism through separate sectoral development priorities like for example stressing on "rural development".

"Rural development is a misconception of development. There is no such thing as rural development. Socialist development means taking the economy in its totality," he said.

Ndugu Babu described socialism as "nothing else except a guide to action. Socialism must understand objective reality. Socialism is a mechanism of ordering priorities," he said.

On the proposals to establish a New International Economic Order (NIEO), Ndugu Babu said under present-day global economic arrangements, the new order would only benefit the giant multinationals at the service of imperialism.

He said the proposal for NIEO was a creation of the multinationals so they could "effectively" penetrate the economic market through the back door.

Ndugu Babu explained that the only lasting order would come with the complementarity between the economies of developing socialist countries and centrally-planned

socialist economies.

A questioner asked: "Who should build socialism in developing countries? Ndugu Babu answered: "Socialism should be built by the people.

He said bureaucrats would never build socialism. "Some of the bureaucrats over-indulge. They build themselves at the expense of the people," he said.

He told the audience that it was the bureaucrats who contravened some of the very regulations that had been set to curb, say, the importation of luxury items.

"The bureaucrats' hands are clean, but their hearts are dirty; the peasants hands are dirty, but their hearts are clean," he said.

"Who introduced corruption in this country?" he asked. "I leave it to you my friends," he concluded.

CSO: 4700/340

BRIEFS

PRIME MINISTER ON ECONOMY--The Prime Minister, Ndugu Cleopa Msuya, said in Dodoma yesterday that the ever increasing price of oil since 1973 was one of the major problems facing the country's economy. He was addressing a three-day bi-ennial conference of the Christian Council of Tanzania (CCT) on the ailing economic situation facing the nation at present and how to combat it. Ndugu Msuya said the country was expected to spend 60 percent of its foreign exchange to purchase fuel oil this year but the expenditure rate was reduced to between 50 and 55 percent after the Government had taken precautionary measures to conserve the commodity. The Premier said another cause for economic problems was the rising of prices of various imported commodities like spare parts, building materials, agricultural inputs, paper, vehicles and tractors. He said in 1980, for instance, prices of imported goods shot up to more than 250 percent as compared to 1972. He told the conference that on the other hand, prices of the country's agricultural products were continuously dropping or increasing at a very slow pace. [Text] [Dar es Salaam DAILY NEWS in English 30 Jul 81 p 3]

PARTY IDEOLOGICAL COLLEGE EXPANSION--An expansion programme which would enable the Kivukoni Party Ideological College in Dar es Salaam to increase its student intake from 150 to 250 is currently underway. The college Principal, Ndugu Bismark Mwansasu, said yesterday that the programme also includes construction of an assembly hall and five new teachers quarters. Currently the college has ten teachers quarters. Ndugu Mwansasu could not say when the construction of the buildings would be completed, but he explained that as soon as the buildings were ready the college would raise its student intake. The college, which has just observed its 20th anniversary, teaches the Party ideology to Party and government officials, as well as leaders of various public institutions. The college was established by the then TANU on July 29, 1961. Funds for running the college came from donations and contributions secured by the then Tanganyika Education Trust Fund, a registered charity organisation formed by TANU. [Text] [Dar es Salaam DAILY NEWS in English 31 Jul 81 p 3]

WINDMILL DRIVEN WATER PUMPS--Singida--An executive engineer with the Ministry of Water and Energy has suggested that windmill driven water pumps be encouraged in all wind-prone areas of the country due to fuel shortage. In his write-up on the prospects of windmills in the country for pumping water, the engineer, Ndugu Richard Msengi, said by emphasizing on windmills, the country could speed up its clean water supply programme to the villages with minimum costs. Ndugu Msengi

also said the manufacturing of windmills locally be considered to minimize the problem of spare parts and reduce maintenance costs. He also proposed that technicians to repair the windmills be trained. [Text] [Dar es Salaam DAILY NEWS in English 31 Jul 81 p 3]

BACKLOG CEMENT SHIPMENT--Maputo, Tuesday--About 7,000 tonnes of cement are now being loaded aboard freighter Rice Trade destined for Tanzania, the Maputo daily Noticias reported today. The loading of the cement at the Port of Maputo began last Friday and is expected to take about ten days before the Rice Trade leaves for Tanzania, the daily said. The 7,000 tonnes are a backlog which the Mozambique Cement Company had to meet under an agreement with the Tanzania Saruji Corporation. The Mozambique Cement Company owns three cement factories--Matola in Maputo Province, Dondo in Sofala Province and Nacala in Nampula Province. Cement trade between Mozambique and Tanzania started in 1979 when the Mozambique Cement Company signed a contract for the supply to Tanzania of 72,000 tonnes of cement. It is understood here that out of that amount, only 55,039 tonnes of cement have been supplied. There was another agreement between Mozambique and Tanzania for the supply of 20,000 tonnes of cement. Nine thousand tonnes of cement in this agreement have been supplied. A delegation from the Tanzania Portland Cement Company (TPCC), a company falling under the Tanzania Saruji Corporation, is expected later this month to review the previous agreements and see whether more cement contracts could be entered. [Text] [Dar es Salaam DAILY NEWS in English 5 Aug 81 p 3]

ARRIVAL OF SUDANESE RICE--A consignment of 1,800 tons of rice shipped by the Government of Sudan to Tanzania has arrived at the Dar es Salaam Port. The Director of Procurement of the National Milling Corporation (NMC), Ndugu G.S. Mwanache, said in the city yesterday that it was now processing the consignment's documents before off-loading could start. The rice will be handed over to NMC by the Sudanese Embassy in Dar es Salaam immediately after being off-loaded. [Text] [Dar es Salaam DAILY NEWS in English 6 Aug 81 p 3]

DENIAL OF MAGAZINE'S IMF REPORT--Tanzania has dismissed allegations appearing in the August edition of Africa Now magazine that the first round of negotiations with the International Monetary Fund (IMF) last month were stuck. The Deputy Minister for Finance, Ndugu Venance Ngula, told Shihata yesterday that the Government was unaware of the alleged bottleneck in the talks. Finance Minister Amir Jamal told the National Assembly in Dar es Salaam last month that the Government was negotiating with the IMF for an extended fund facility for three years, to be used in the battle against inflation. [Text] [Dar es Salaam DAILY NEWS in English 6 Aug 81 p 1]

APPROVAL OF PARTY BUDGET--The Party Central Committee which ended its meeting at Chamwino yesterday approved a Party budget of 440 million/- for the 1981/82 financial year. The committee also received reports from its sub-committees on Defence and Security, Planning and Economic Development, Parastatal Organisations and Party Affairs. It was announced at Chamwino last night that an extraordinary meeting of the Central Committee would be held in Dar es Salaam on August 17 this year. Meanwhile, the Party National Executive Council (NEC) is expected to meet in Dar es Salaam next month to discuss the Party Programme. The Party Programme is being prepared by a six-member Central Committee team which had been meeting at the Party Headquarters in Dodoma for the past fortnight. [Text] [Dar es Salaam DAILY NEWS in English 7 Aug 81 p 1]

OFFICIALS SEEK CONSOLIDATION OF ROMANIAN-ZAIRIAN AGRICULTURAL COOPERATION

Kinshasa ELIMA in French 16 Jul 81 pp 1, 7

[Article by Lusende Mbemba: "Consolidation of Romanian-Zairian Agricultural Cooperation"]

[Text] "I have mainly come to Zaire for the purpose of participating once more in the consolidation of the agricultural cooperation that so closely links the Republic of Zaire and the Socialist Republic of Romania. It is a form of cooperation in which our respective governments and chiefs of state are particularly interested." This statement was made to the press by Adrain Rogojanu, Romanian deputy minister of agriculture, at the end of the meeting granted him on Tuesday, 14 July, by citizen Bomboko Lokumba, deputy first state commissioner and state commissioner for foreign affairs and international cooperation.

It should be noted that Rogojanu, who has been visiting the Zairian capital since 13 July, is heading a delegation made up of representatives of the different ministries of his country (finance, foreign trade, agriculture) and other experts. The delegation will participate in the work of the Romanian-Zairian joint commission which, it should be emphasized, began its work on Tuesday, 14 July, in the Green Room of the Ministry of Foreign Affairs and International Cooperation.

The work is being directed by Dr Mwema Ngoy Toka, secretary of state for agriculture and representative of the Executive Council, who is assisted by Deputy Minister of Agriculture Rogojanu, representing Romania. The General Planning Commission, the ministries of National Economy, Foreign Affairs, Government Investment Holdings, Finance, Foreign Trade, the Bank of Zaire and the joint venture ZAIROM [Zairian-Romanian Zootechnical Company] have sent their representatives to the meeting, which is of great importance.

The major problem to be taken up in the discussions now underway in the Green Room of the Ministry of Foreign Affairs is undoubtedly the possibility of intensifying the training of farmers and especially of thoroughly examining what measures could be taken to get the activities of the joint Zairian-Romanian company ZAIROM off to a new start. ZAIROM's main purpose is the promotion of agriculture.

The work of the officials is of great importance, as stated by the secretary of state for agriculture, and it is urgent for the two parties to demonstrate a great deal of frankness and intelligence in order to arrive at a solid basic document to be proposed to the two governments.

Furthermore, it would be a very positive step if, through the meeting, all ambiguities concerning the granting, by ZAIROM, of a site facilitating the continuation of its activities could be removed. The same is true of the revision of financing clauses regarding the project, particularly chapters involving the liberation of foreign exchange and counterpart funds in local currency.

Work is proceeding normally and our immediate wish is to see a more effective Zairian presence in ZAIROM.

11,464

CSO: 4719/224

PRICES REPORTED VACILLATING; SPECULATORS ACCUSED

Lubumbashi MJUMBE: LE QUOTIDIEN DU SHABA in French 11 Jun 81 p 3

[Article by Mfwamba Ntambwe: "Palm Oil: Prices Have Dropped"]

[Text] The first two weeks of this month brought smiles to the faces of housewives, who watched the price of palm oil drop.

A 75-centiliter bottle that once cost 15 or 20 zaires has now fallen to 7 or even 5 zaires. Observers note with satisfaction that the supply has increased substantially, balancing demand. The competition of demand is now effective.

Readjustment of Price of Local Rice

Nearly 3 weeks ago, prices of local rice, whose major distributors in Shaba are the Tshiani ETS [expansion unknown], were readjusted. At the beginning of this fiscal year, rice sold for 120 zaires per 45-kilogram bag. The same quantity now costs 160 zaires, meaning an increase of 40 zaires. In other wholesale stores or at food stores, rates have already reached 200 and even 250 zaires. A glass of Kindu rice now costs 150 K [expansion unknown] at our public markets, compared with 90 or 80 K around the beginning of the second quarter of this year.

According to ETS officials, the readjustment was made following the increase in the current official price of paddy rice paid to Kindu farmers. In addition, transport rates have also gone up.

Cheaper Television Sets

Television sets are indispensable for many families. As a result of the market competition we are now seeing, many citizens of modest financial means can easily afford sets.

A week ago, following a sale at a number of local stores, a Tatung television set sold for 160 zaires at the Kukap ETS.

Following the example of the Mukap ETS, Shaba-Center is now selling refrigerators and color television sets at lower prices. For example, a refrigerator costs 4,000 zaires, compared with 8,000 zaires for the same size elsewhere.

Speculators

Speculators are doing a great business. Salt merchants or traffickers, most of whom are expatriates, are growing scandalously rich by exploiting poor citizens. We have just verified prices they are charging for salt and have bitterly noted that they (the prices) denote the purest gauging, sometimes supported by influential local figures.

The price of a 50-kilogram bag of salt is now 200 zaires, compared with less than 80 zaires for the purchase price. Some 8 months ago, the same bag cost less than 60 zaires, meaning an increase of over 140 zaires.

At our public markets, a glass of salt is sold for 200 K or even 250 K, compared with 100 K a month ago and 50 K in 1980.

Meat: Higher Prices

For almost a month, beef in general and charcoal-grilled meat in particular has gone up in price again. At the SGA [expansion unknown], the new prices of charcoal-grilled meat are about 16 zaires per kilogram from the slaughterhouse and 18 zaires at the retail level.

Retail prices were previously about 14 zaires per kilogram, meaning an increase of 4 zaires. At other meat markets, prices went from 20 Z per kilograms to 24 and even 26.

11,464

CS0: 4719/224

BRIEFS

RECOVERY OF STOLEN COBALT—On Tuesday morning, the joint antifraud services (public prosecutor's department and industrial guard of GECAMINES [General Quarries and Mines Company] in Kolwezi) recovered 2,700 kilograms of cobalt worth nearly 4.32 million Belgian francs from a ring of highly specialized thieves from Likasi, four of whom are already behind bars. The cobalt theft recently occurred at the GECAMINES Luilu plants in Kolwezi. The thieves were also in possession of spare parts from GECAMINES that they wanted to sell in Kasai. It was in a dark house in the village of Tshiamundende, some 30 kilometers from downtown Kolwezi, that the robbers were arrested as they were refining their diabolical plan. They are now being intensively questioned by the public prosecutor's office in Kolwezi, which will try to shed light on the origins of the ring and learn the potential recipients of the precious stones and spare parts seized. Last month, at the same Luilu plants, the Kolwezi antifraud services also recovered 536 kilograms of cobalt worth 804,000 Belgian francs from three traffickers who fled to Lubumbashi. To date, there is no information as to their whereabouts. Given the rise in thefts of precious materials in Kolwezi, the political commissioner and regional governor of Shaba, citizen Mandungu Bula Nyati, has decided to visit the mining town of Kolwezi to investigate the situation. [Text] [Kinshasa ELIMA in French 2 Jul 81 p 7] 11,464

FLOUR SHORTAGE PROVOKES DISSENSION—For some time, there has been a shortage of wheat flour in Lubumbashi and as a result, prices are going up. Bread costs between 4.5 and 5 zaires. Zairian bakers and expatriates are in disagreement. They accuse one another at all levels. The railroad cars sent by MIDEMA [expansion unknown] to the bakers committee in Lubumbashi are diverted between Ilebo and the copper capital. Certain SNCZ [Zairian National Railroad Company] and ONATRA [National Transportation Office] employees are accused of being accomplices in this diversion. The cars do reach Lubumbashi, but addressed to persons other than those mentioned by MIDEMA. ANEZA-Shaba [National Association of Zairian Enterprises] has not remained insensitive to this work of "mafiosi." Correspondence has been addressed to both national and regional leaders. At ANEZA, people also complain that from January to May, MIDEMA shipped only 30 cars of wheat flour, when the real needs of the Shaba region are around 275 cars a month. Conventional needs are on the order of 100 cars a month. [Excerpt] [Lubumbashi MJUMBE: LE QUOTIDIEN DU SHABA in French 12 Jul 81 pp 1, 6] 11,464

KAUNDA DIRECTS GOVERNMENT TO TAKE OVER BRICK PLANT

Lusaka TIMES OF ZAMBIA in English 8 Aug 81 p 1

[Text]

THE controversial Nega-Nega brick factory is to be taken over by the Government at the instruction of President Kaunda.

According to the Government Gazette published yesterday and signed by Minister of Lands and Natural Resources Mr Clement Mwananshiku, the President has resolved that "it is desirable or expedient in the interests of the republic" to acquire the property.

Registrar of lands Mr Peter Chamutangi said there was nothing "mysterious" about the handover as the matter had been made "very clear" in the Gazette.

Revalued the factory

Last month, the Government revalued the factory which had been sold to Libro Textiles — a private company owned by M. S. Limbando at K800,000.

Asked what would happen to the transaction which was criticised by Members of Parliament, Mr Chamutangi said he was not competent to comment on the issue and referred the query to Mr Mwananshiku who was not available for comment.

The issue was hotly debated in Parliament during the last session with MPs demanding an explanation from the Government why the factory was sold at a give-away price.

Minister of Commerce and Industry Mr Remmy Chisupa who was under pressure to explain the matter then, said the marked value of the factory, the housing estate and recreation centre was K800,000 as assessed by the Zambia National Building Society.

The minister said the plant and machinery had not been sold and would be moved to Kalulushi Brickworks which belongs to Zambia Clay Industries.

The MPs wondered why the Government sold the K3.2 million factory at K800,000 — turning down K2 million offered for the property

by Mazabuka district council.

They told Mr Chisupa that the deal was suspect and should have been cancelled. Malambo MP Mr Whitson Banda doubted the validity of the valuation. He said he knew of some politicians who were involved in the sale of the factory.

Mr Whynter Chabala (Chipili) said it was not possible that such a project could be valued at K800,000 when it cost the Government K3.2 million to construct.

Obvious

Mr MacDonald Mtine (Kantanshi) said it was obvious

from the questions raised by his colleagues that it was not in the interest of the nation or the House that the factory should be sold at a "give-away" price.

The factory which belonged to Indeco was closed in December 1979 because of low sales and the depression in the building industry, Mr Chisupa explained to the House.

And an Indeco spokesman said the corporation lost about K15 million before the decision to close it down was made. He made it clear Indeco did not have a written offer from Mazabuka district council to buy the plant.

According to the *Gazette*, President Kaunda has certified that the property was "urgently" required and in terms of Section 5 of the Lands Acquisition Act, it was his intention to acquire it for the State.

Under Section 6 of the Act, an order has been issued to surrender the factory to the State on or before August 21.

"Any person claiming to be interested in the said properties is hereby invited to submit his claim to me within four weeks of the date of publication of this notice in the *Gazette*," Mr Mwananshiku said.

MINISTER SAYS HE HAS INTERVENED TO SAVE ZAMHORT

Lusaka TIMES OF ZAMBIA in English 10 Aug 81 p 1

[Excerpt]

MINISTER of Agriculture and Water Development Mr Unia Mwila yesterday said that he intervened into Zamhort's problems to save it from total collapse.

He said in Lusaka yesterday that he had since submitted a full report of the organisation's problems to President Kaunda with suggestions on how the organisations could be made viable.

The minister was once forced to summon Zamhort officials to a meeting at which serious charges of mismanagement and financial losses were raised.

Mr Mwila could not indicate whether Dr Kaunda had accepted some of his recommendations but said the decision to transfer Zamhort to Zimco under NIEC was the prerogative of the President.

Mr Mwila assured the organisation's works council five months ago that workers would not be sacked as a result of the reorganisation.

The minister's assurance is contained in the minutes of the meeting the works council had with him on April 8.

But under the reorganisation about 250 workers have already been sacked and Mr Mwila yesterday denied last week's reports that there were investigations into the affairs of Zamhort.

The minister said one of Zamhort's problems was that it was under capitalised to an extent that it accumulated huge debts.

This was aggravated when some public institutions like schools failed to pay for the food supplied to them.

He directed all inquiries on Zamhort to Zimco or Cabinet Office as he had nothing to do with it any more.

CSO: 4700/353

MINISTER SAYS MAIZE COLLECTION SHOULD BE SPEEDED UP IN SOME AREAS

Lusaka TIMES OF ZAMBIA in English 10 Aug 81 p 1

[Excerpt]

Meanwhile, the minister has despatched officers to rural areas to find out what problems they have in the collection of the expected bumper maize harvest.

Although the maize collection had been satisfactory in most parts of the country, there was need to speed up the exercise, he said.

He cited Southern and Eastern provinces as some of the areas where the exercise had run into difficulties.

In Eastern Province the problem was lack of funds to pay farmers. He indicated that money for the exercise would soon be made available.

In addition, there was lack of transport for officers who were required to pay the farmers for their produce.

In Southern Province, inadequacy of stacking machines was the main constraint in the collection of the grain.

Last week Namboard general manager Mr George Chabwera announced that his board and the cooperative marketing unions in the coun-

try had bought 2.5 million bags of maize from farmers worth K40 million.

In Choma it was reported that more than 400,000 bags of maize may go to waste this year in chiefs Macha and Mapanza because transporters were reluctant to collect produce from there because of the poor condition of the roads.

Southern Province Cooperative Marketing Union has appealed to the Government to grade the Choma/Namwala road to enable transporters to collect produce in the two areas.

Union marketing manager Mr Thomas Mudala told the province's permanent secretary Mr Ian Sikazwe that some transporters had threatened to pull their vehicles out of the Macha/Mapanza route because of the poor roads.

About 750,000 bags of maize have been collected by the union from the area but there were more than 400,000 bags still to be collected.

Mr Sikazwe said the Government would try to repair the road.

CSO: 4700/353

MINISTER SAYS STATE FARMS FEASIBILITY STUDIES NOT DONE

Lusaka TIMES OF ZAMBIA in English 7 Aug 81 p 5

[Excerpt]

FEASIBILITY studies have not been done on any of the proposed State farms under the operation food production programme, National Commission for Development Planning acting Minister Mr Unia Mwila told Parliament yesterday.

He was answering a question by Isoka MP Mr Leonard Singoyi who also wanted to know if a cost ratio between establishment of such farms and smaller farming units in districts had been determined.

The minister said no such ratio analysis had been undertaken because the feasibility studies had not been accomplished.

However, a good start had been made and several friendly countries and private

companies were about to move in and carry out the studies.

In a supplementary question, Mr Singoyi asked Mr Mwila if he was aware that the "colossal" project would be difficult to manage, and the minister replied that the programme would succeed.

Not all

He denied a charge by Nchanga MP Mr Cosmas Masongo that the farms which were originally supposed to be 18 had been reduced to four. The intention to have 18 State farms still stood but not all would be started at the same time.

Mandevu MP Mr Dingiswayo Banda asked why it was necessary to carry out the feasibility studies when Mount Makulu research station had analysed all the types of soil in the country.

Mr Mwila replied that the Government had to differentiate between agricultural research information and the viability of a project.

Several MPs asked how long it would take to finish the feasibility studies and the minister said the farms were big concerns.

GOVERNMENT STARTS MINING EMERALDS IN NDOLA RURAL

Lusaka TIMES OF ZAMBIA in English 10 Aug 81 p 5

[Excerpt]

THE Government has started mining emeralds through the Reserved Minerals Corporation in Chief Nkana's area of Ndola Rural, managing director Mr Winter Matongo has confirmed.

He said production started last week after the mining team set up the required infrastructure and built houses at a camp in Chief Nkana's area several kilometres from Kalulushi.

"We began moving in last April after setting up the required infrastructure."

He refused to discuss production at the mining site, saying this was a security matter. Mining operations would be

carried out in a restricted area.

The corporation would initially operate from only one site, but more sites would be located and camps for personnel built as the operations expand.

The number of expatriates would also be increased from the present one.

The Corporation was formed last year to mine and sell emeralds and immediately set out buying the precious stones from individuals after the Government declared an amnesty to stop the illegal peddling of the stones.

For some time now the corporation has been under pressure from politicians and the Ministry of Mines to speed up prospecting work especially on the Copperbelt to begin mining and selling the stones.

Permanent secretary in the Ministry of Mines Mr Julian Masaninga said in Lusaka recently that the ministry was concerned about the delays in prospecting for precious stones by the corporation.

CSO: 4700/353

CABINET OFFICE INTRODUCES ANTI-RACKETEERING MEASURES

Lusaka SUNDAY TIMES in English 9 Aug 81 p 7

[Text]

NEW measures aimed at cracking down on racketeering by loans officers at the Ministry of Finance have been introduced by Cabinet Office.

This follows discrepancies unearthed at the ministry in the recovery of monies advanced or loaned to Government officers.

According to the annual report of the Cabinet Office for 1980 which was tabled in Parliament last week, the Government is understood to have lost millions of Kwacha through such unscrupulous deals.

During an audit check it was found that loans owed by some officers were not debited against them as a result such officers did not repay the money.

It is believed that such deals were arranged between officers in the ministry and applicants.

Cabinet Office has directed that strict measures be introduced to ensure that officers owing money are correctly billed.

Ascertain

These include checks and controls on advances of salaries authorised in excess of amounts laid down by Government general order and controlling loans and advances authorised to officers before they have cleared the amount outstanding from previous loans and advances.

The suggestions which were made by the management services section in Cabinet Office also recommended — to curb the racket — that loans data must be compared in the same month.

This should include indicating when an advance or loan is given to ascertain immediately whether an officer's "take home" pay is more than the authorised amount.

The report discloses that organisation and methods experts from Cabinet Office are evaluating the workload, quality and functions performed by provincial political

secretaries to determine whether or not there was justification for the creation of the post of personal secretaries for them.

A preliminary report on the study was being considered by experts who would later make a decision whether such politicians were entitled to personal secretaries.

Following reports that there was duplication of management positions in Zambia Railways the Ministry of Power, Transport and Communications had enlisted the services of the Cabinet Office experts to review the nature and functions of various positions in the system.

During the year reviews were also carried out in the Department of Cultural Services to formulate proposals on the number of staff to be employed and to establish the nature and content of individual duties.

This report was accepted by Cabinet Office and is in the process of being implemented.

CSO: 4700/353

SWAPO REORGANIZES ITS LUSAKA OFFICES UNDER MUSHIMBA

Lusaka TIMES OF ZAMBIA in English 6 Aug 81 p 5

[Text]

THE Lusaka office of the South West African People's Organisation (SWAPO) has been reorganised and all its activities brought under Mr Aaron Mushimba.

Mr Mushimba, who is member of the organisation's national executive of the central committee, has already arrived in Lusaka from Luanda to head SWAPO.

He said yesterday that SWAPO had reorganised its operations in all countries in which it was being represented.

Mr Mushimba will head the entire operations and activities of the organisation in Zambia.

He has taken all the responsibilities which pre-

viously fell under Mr Lucas Pohamba and Mr Ben Boyd, who are still in Lusaka to assist him until they get alternative assignments.

Under the present set-up Mr Hage Geingob United Nations Institute for Namibia director and Mr Hidipo Hamutenya will advise Mr Mushimba on political and diplomatic matters.

Since Mr Pohamba and Mr Boyd cease to be executive and central committee members in Lusaka, there are now five members of the central committee.

These are Mr Geingob, Mr Hamutenya, Dr Ernst Tjiriange, Dr Mose Tjitendero and Mr Benjamin Namalampo.

There is also the deputy secretary Mr Lucas Sephanus who shuttles between Luanda and Lusaka.

CSO: 4700/353

RESULTS OF BOTSWANA-ZAMBIA COMMISSION MEETING NOTED

Lusaka TIMES OF ZAMBIA in English 8 Aug 81 p 1

[Excerpt]

THE Botswana-Zambia joint permanent commission has recommended building a bridge across the Zambezi river to link the two neighbouring countries.

At the moment the two countries are linked at the Karungula border post by a pontoon.

In the past there have been incidents of people and vehicles accidentally sliding from the pontoon into the river.

A joint communique issued in Livingstone yesterday after a two-day talks said the commission considered the construction of a bridge and improvement to transport and communication.

Other issues were the construction of the Zambia-Botswana highway, educational, cultural, technical cooperation and mass media development, cooperation in financial transactions parti-

cularly in the banking field and tourism promotion.

The commission noted "with great satisfaction" the progress being made in sustaining and promoting the bilateral cooperation and development in major fields, and urged further strengthening of other areas.

It resolved to consider at its next meeting in Botswana, mineral exploitation and animal disease control measures.

The meeting, opened by Southern Province Member of the Central Committee Mr Mungoni Liso on Thursday, was chaired by Minister of Finance Mr Kobby Musokwane.

Several ministers, permanent secretaries and parastatal heads from both countries attended the talks at the Mui-e-Tunya Hotel Inter-Continental.

CSO: 4700/353

WORLD BANK REPORT PREDICTS 'DESPERATE PREDICAMENT' FOR NATION

Key Policy Priorities Highlighted

Lusaka TIMES OF ZAMBIA in English 10 Aug 81 p 1

[Text]

LOW-INCOME oil importing countries including Zambia face increasingly desperate predicament, says a World Bank development report which has just been published.

The report, emphasising the need for global and national economic adjustment, says the external pressures on developing countries have shown little sign of easing over the past 12 months.

It draws particular attention to the increasingly desperate predicament of the poorest countries. The low income oil importers "face the 1980s, which have started badly for them, with no sign of change in either their trade or their aid prospects."

Today's estimate of 750 million people live in absolute poverty, but the number could rise to 850 million by the end of the century.

The experience of the 1970s provides valuable lessons for the 1980s. "In general terms, industrial countries increased their exports to capital-surplus countries and slowed down their growth.

The report highlights the importance of domestic economic policies; some

countries having similar economic structures and natural resources nevertheless differ widely in the way they cope with difficulties.

Key policy priorities are highlighted: raising domestic saving and investment and using those resources efficiently; adopting a neutral approach between export promotion and import substitution in the choice of exchange rates, taxation and subsidies and, for primary producers, diversifying the range of goods and markets.

The report also says the population of developing countries could stabilise at about seven billion if "replacement fertility" (about two children a couple) is achieved in 25 years' time.

It underlines the link between poverty and rapid population growth. Depending on their success in economic and social development countries still have a considerable influence over the eventual level of their population.

If replacement fertility is delayed for 45 years the eventual stationary population would be more than ten billion.

Several countries have cut back human development programmes; yet there are various ways of maintaining their efficiency. Better-off people can be charged for public services, costs can be shared with local communities and communications can be improved.

Such measures have been adopted in various countries, often to considerable effect. Human development programmes seldom use much energy, nor do they need much foreign exchange.

The recurring issues of food and population are discussed in the light of adjustment pressures. While there is little cause for alarm about another global food shortage to match the 1973-74 crisis, there are several disturbing features about the position today.

World food markets face growing demands from middle income countries, a process that is bound to continue as incomes rise and more grain is fed to livestock.

Lusaka TIMES OF ZAMBIA in English 10 Aug 81 p 1

[Editorial]

[Text]

THIS year's World Bank report, like many others before it, paints a very gloomy picture of the world economy. Reading through the massive report gives one the impression that the world is about to end.

Religious zealots may say "Armageddon" is near. Yet the world is still there although the rich are getting richer and the poor poorer living from hand to mouth.

Pragmatism would demand that the report should result in a more generous resolution on the part of the rich nations to help the poor ones. But that, as we have always maintained, is a forlorn hope.

The World Bank is a capitalist organisation headed by men who have excelled in the art of wheeling and dealing which characterises Western capitalism.

But where Zambia is concerned they have not, after all, shown that their hearts are made entirely of stone.

They have been very helpful to this country of late although, because

of its copper, Zambia has not been treated by the World Bank as the poor country that it really is.

A country is poor only because its people do not eat enough; do not have enough jobs; do not have enough housing; and do not have enough education. Many developing countries are in that category.

Yet it would be a fool's paradise to hope that in the final analysis we can survive economically solely on the basis of the "crumbs" thrown at us by the rich nations.

We must always remember that words such as self-reliance; self-sufficiency; simplicity; self-restraint; and hard work are not just transient political slogans.

They pertain to very old forms of wisdom which people everywhere should now turn to if humanity is to survive the gloomy prospects which the World Bank has portrayed. Otherwise "Armageddon" is indeed very near. And this time it will be a bat-

tle to the finish between the living and the dying. The reality lies in doing things for ourselves. We should not therefore sneer at calls for hard work or for increased food production.

The usual pessimistic reports of the World Bank should not discourage us, but instead goad us to more efforts to revamp our ailing economy.

A country which produces most of its own food borrows money only for absolute essentials and has, in fact, little need to crawl to the developed nations for help. It is then highly respected.

Where people go hungry in the midst of plenty, then a rottenness has crept in. Zambians must safeguard their future against such a fate.

For Zambians, self-reliance and hard work should involve the creation of an economy which is not wholly dependent on hand-outs from the World Bank or rich countries which demand blind political loyalty in return.

Lusaka TIMES OF ZAMBIA in English 10 Aug 81 p 2

[Text]

FUTURE growth requires the allocation of more foreign exchange to mining in the short-term and greater emphasis on diversification as well as basic reforms of institutions and economic policies for the long-term.

This is one conclusion in an article on Zambia in the World Bank's development report which has just been published.

Zambia's structural inflexibility will take many years to overcome and the country will remain vulnerable to terms of trade fluctuations.

Adjustment will be hard to accomplish without balance of payments support — in part provided by an International Monetary Fund extended fund facility approved in May, with special attention given to safeguarding the position of the poor.

The report says that Zambia's terms of trade deteriorated by 52 per cent between 1974 and 1978. From a peak in 1974 copper prices fell by 40 per cent in 1975 while import prices rose by an average 16 per cent a year.

Wars in neighbouring Angola, Zaire and Zimbabwe disrupted Zambia's rail links to the coast and increased transport costs. In 1979 a serious drought contributed to a nine per cent fall in agricultural production.

Mining accounts for 95 per cent of the export total and exports make up 40 per cent of the Gross Domestic Product.

The terms of trade deterioration therefore caused a huge reduction in national income.

GDP has been falling continuously since 1965; the fall accelerated in 1974 to 78.

so GDP was less than half of its 1965 level.

Part of this fall was born by lower investment, but consumption per person also declined sharply.

Rural households, especially those in peripheral areas, have suffered declines in already low incomes; there are serious shortages of basic consumer goods as well as medicines, drugs, school equipment and transport.

Child health and nutrition have deteriorated. One indication of this is the spread of scabies, a disease associated with unhygienic conditions, reported cases of which increased 18-fold in 1973 to 78.

Wages

In urban areas, wage employment and real wages have fallen and expenditure on community services has been cut.

Since Independence the Government has had only limited success in diversifying the economy away from mining.

Agriculture, in which Zambia has abundant potential, has been neglected. The rural-urban terms of trade have shifted against agriculture.

Despite increases in official producer prices, agricultural prices generally have been below border equivalents.

State farms, rather than small farmers, have absorbed large resources; marketing arrangements have been cumbersome and wasteful.

NATION TO BUY CARS FOR HAULING GOODS ON BENGUELA RAILWAY

Lusaka DAILY MAIL in English 6 Aug 81 p 1

[Excerpt]

ZAMBIA will buy 235 wagons worth K11.4 million from Zimbabwe for hauling Zambian goods on the Benguela Railway to the Port of Lobito in Angola.

Minister of Power, Transport and Communications, Mr. Rajah Kunda said this in Lusaka, yesterday following a tripartite meeting in Kinshasa in Zaire last week between Angola, Zaire and Zambia on the rehabilitation of Benguela Railway.

Mr. Kunda said the European Economic Community which is providing funds for buying the wagons, had given Zambia K10.5 million as the original estimated cost of the wagons.

He said, however, that Zambia would ask the European Economic Community to provide the K800,000 short fall to meet the estimated K11.4 million for the cost of the wagons.

He said the EEC has not released the K10.5 million it had offered Zambia for wagons unless Zaire,

through which the railway line passes supported the rehabilitation programme.

Mr. Kunda, who described the Kinshasa meeting on Benguela Railway line as a success, said Zambia received tremendous support from Zaire.

The Minister explained that the K800,000 short fall came about due to inflation and the devaluation of the European Sterling and the Zimbabwean Dollar.

Mr. Kunda also said it was up to the Zambian transporters to choose the best route to the sea.

"Zambia looks at Benguela Railway with a view to diversifying her import and export routes to the sea," he said and added that Lobito had been Zambia's traditional port.

The meeting in Kinshasa was also attended by Minister of Works and Supply, Mr. Haswell Mwale, Angolan Transport Minister, Mr. Fernando Muteka and the Zairean Minister of Transport and Communications, Mr. Mushohewa Kalima Wa Katana.

CSO: 4700/353

AUDITORS CONDEMN UNZA FOR FAILING TO MAINTAIN ACCOUNTS

Lusaka TIMES OF ZAMBIA in English 10 Aug 81 p 1

[Text]

MORE than K10 million cannot be accounted for by the University of Zambia.

This disclosure is contained in a report of independent auditors who have condemned the university as failing to maintain their accounts.

The audit report, by Coopers and Lybrand, is to be tabled before the current session of Parliament.

Because the university accounts "have not been properly maintained" the auditors were unable to:

- Verify the existence of fixed assets amounting to K8,434,838;

- Relate the real value of title deeds held by the university to the cost of leasehold land and buildings which are shown in the accounts at K30,354,568 and;

- Failed to determine if K1,036,142 shown as being owed to the university together with prepayments for items would be recoverable because the institution's books are in a mess.

The university books also show that K2,205,458 is owed to various creditors but the auditors doubt if K1,466,264

of that amount is accurate.

"The university accounting records," note that auditors, "have been continuously in arrears and, in our opinion, have not been properly maintained."

The auditors report is for the accounts of the year ended December 31, 1978.

The accounts show that during the year, the university had also written off K333,000 in bad debts — an increase of more than K100,000 from the previous year's figure of K200,000.

The amount owed by sundry debtors to Unza had also increased from K459,000 in 1977 to K637,005. But staff loans and advances had been decreased from K587,787 in 1977 to K575,221 in 1978.

President Kaunda who is Chancellor of the university last month appointed a commission of inquiry to look into the affairs of Unza. No reason was given for the move.

The commission according to its terms of reference would inquire into the effectiveness of the administration and admini-

strative structures under the federal organisation of the university.

Particular emphasis will be put on the administrative controls, accountability and supervision, discipline and attitudes by both staff and students would also be probed by the commission which is being chaired by former member of the Central Committee Mr Wesley Nyirenda.

Announcing the appointment of the commission a State House spokesman had also said student affairs including union matters and the financial affairs of the university and effective use of property would also be examined.

The commission is expected to end its work before the end of the year. Its members who include auditor-general, Mr Stubbs Nundwe was sworn in by Chief Justice Mr Annel Silungwe.

Others are former member of the Central Committee Mr Fwanyanga Mulikita, provincial political secretary at Freedom House Mrs Lily Monze, Roan Consolidated Mines managing director Mr David Phiri, Dr Edwin Koloko and permanent secretary for Lusaka Province Mr Mbangi Mumbwe who is secretary.

DISMISSED MINERS ADVISED TO APPEAL

Lusaka TIMES OF ZAMBIA in English 6 Aug 81 p 5

[Text]

THE Mineworkers Union of Zambia Rokana branch has advised its sacked members to appeal to higher authorities.

Branch chairman Mr Moses Bwalya said in Kitwe yesterday the union had told the sacked miners and those who had been given comprehensive final warning letters to appeal to higher authorities according to the disciplinary code.

According to the industrial disciplinary code any employee could appeal against a management decision.

Last week a spokesman for Nchanga Consolidated Mines announced the sacking of 590 miners for various offences following the recent strike and said 825 others had been given comprehensive final warnings pending

dismissal if they contravened the strict disciplinary code of the copper industry.

But the spokesman said the 590 had not been dismissed because of the strikes alone but had accumulated disciplinary cases over a long period. The sacked miners could appeal against the dismissal if they wanted.

It was the feeling of the union that any further punishment to be meted out to the workers might not be accepted by the union.

Early last month Mr Bwalya apologised to Minister of Labour and Social Services Mr Basil Kabwe for his branch for the damage to his car and the manner he was treated by miners.

CSO: 4700/353

LINTCO TO INCREASE COTTON PURCHASES THIS YEAR

Lusaka TIMES OF ZAMBIA in English 6 Aug 81 p 5

[Text]

THE Lint Company of Zambia expects to buy more than eight million kilogrammes of cotton from farmers in the Southern Province this year.

This is an improvement on the 1.3 million kg of cotton bought from the province last year, according to Lintco provincial manager Mr Alfred Machilika.

The company has so far bought 2.4 million kg of cotton and Lintco expects to pay out K3.7 million to farmers this year. Last year the company paid out K3.2 million.

Among the leading cotton-producing districts is Gwembe where some roads are inaccessible. But Mr Machilika does not foresee transport problems in collecting the crop from the district.

He said feeder roads to production areas were being improved and Lintco had five trucks to transport cotton from the district.

"Everything seems to be going on according to our expectations. We have in fact already started buying cotton from Gwembe valley and the plateau", he said.

Improve roads

In Ndola, Senior Chief Mboroma of Mkushi yesterday called for urgent measures to improve roads and bridges in his area to avoid wastage of cotton, reports Zana.

Chief Mboroma said Lintco was having difficulties in reaching his area because of poor roads and bridges.

He emphasised the need for the improvement of the Mulungwe-Mboroma road which is the main approach road to his area, and the Chinsenda bridge in Chief Mulungwe's area.

The chief said the Kafubula wooden bridge needed immediate attention to improve the collection of produce in his area.

Cotton grown in his area would go to waste if it was not collected in time and regretted that efforts by cotton growers would be wasted.

Lintco has bought 286 bags of cotton representing 7,184 kilogrammes — from his area although collection was being impeded by bad roads.

ANGOLAN REFUGEES AT TWO CAMPS REFUSE REPATRIATION

Lusaka TIMES OF ZAMBIA in English 6 Aug 81 p 1

[Excerpt] More than 10,000 Angolan refugees at Maheba and Mayukwayukwa camps have refused to be repatriated to their country--and the Zambian Government cannot force them to leave.

Minister of State for Home Affairs Chieftainess Nkomeshya said this in Parliament yesterday in answer to a question by Liuwa MP Mr Nathan Namuchana who wanted to know how many of the refugees had been repatriated since Angola's independence.

Chieftainess Nkomeshya said so far 2,727 refugees had been repatriated and 10,792 were unwilling to go back to Angola.

Members of Parliament wondered whether this was not detrimental to relations between the two countries since Angola might take it that these people belonged to rebel groups like UNITA.

But the minister said repatriation was voluntary and until the refugees showed willingness to go, they could not be forced.

"Zambia and Angola have had discussions on the issue and the only problem is that the majority of the refugees are not willing to go home. But they are harmless people to their country of origin, they are not freedom fighters, although they have their own fears", she explained.

CSO: 4700/353

REPORT NOTES FIFTY PERCENT INCREASE IN 1976-1979 CRIME RATE

Lusaka SUNDAY TIMES in English 9 Aug 81 p 7

[Text]

THE crime rate in the country has shot up by 50 per cent in just three years between 1976 and 1979, according to the Ministry of Legal Affairs report released in Lusaka this week.

In 1976, 56,322 persons were arrested or summoned to appear and tried in the courts this went up by 28,006 as at December 1979.

The annual report for 1979 says judges heard 462 criminal cases as compared with 445

in 1978, and heard 1,256 criminal appeals as compared with 1,149 the previous year.

The number of persons committed to the High Court for sentence from subordinate courts rose from five in 1978 to seven in 1979, but the number of cases reviewed by judges of the High Court decreased from 1,138 in 1978 to 1,056 in 1979.

During the year under review the High Court dealt with 3,369 civil cases — 393 more than in 1978.

But the number of receiving orders remained at zero for two years in succession — 1978 and 1979.

Of the 31 civil appeals to the High Court against decisions of subordinate courts only three were successful.

Forty-six lawyers were admitted as legal practitioners while the total number holding practising certificates were 127 as at December 1979. This figure included three persons who do not normally practise in Zambia.

CSO: 4700/353

'BIG SHOTS' REPORTEDLY INVOLVED IN IMPORT RACKET

'No-Nonsense Circular'

Lusaka SUNDAY TIMES in English 9 Aug 81 p 1

[Article by Richard Theo]

[Excerpt] **BIG shots are involved in a high-level racket involving the importation of goods without paying excise duty or sales tax in complete violation of the rules of the country.**

Secretary to the Cabinet Mr Evans Willima has written to all Party and Government officers and parastatal executives clearly stating that the culprits are big shots.

In the no-nonsense circular copied to special assistants to the President and to general managers of quasi-Government agencies, Mr Willima says the racket should stop immediately.

He has copied it to Freedom House as top Party officials are involved and the circular has also been sent to the Secretary of State for Defence and Security, Zulu.

He directs that customs officials be more vigilant in executing the law against defaulters of the Customs Act. The law, he says, must be applied strictly.

The circular says some

senior Party and Government leaders ignore or refuse to declare their imports contrary to Section 91 of the Customs and Excise Act.

The spokesman could not say how many senior Party and Government officials had defaulted nor how much the department had lost.

He referred all queries to Mr Willima who was unavailable for comment yesterday.

Under Customs and Excise laws and regulations Mr Willima says: "Everyone is liable to pay customs when it is due and your personal baggage is not immune

from customs clearance.

"In spite of the contents of the Cabinet Office circular number ten of 1977, there have been increasing reports of incidents of non-compliance with the laws and regulations by senior Party and Government functionaries.

"These reports focus on some leaders who refuse to pay the customs duty and sales tax on imported goods. This, I must emphasise, is very disturbing and unacceptable," the circular says in part.

Asked on what action had been taken to stamp out the racket, a Customs and Excise Department spokesman said in Livingstone:

"Enforcement of the Act is not a new problem, but we try to persuade people using the VIP entrance to cooperate and pay customs duty and sales tax on their imports."

Circular 'Distressing'

Lusaka SUNDAY TIMES in English 9 Aug 81 p 1

[Editorial]

[Text] It is a distressing circular secretary to the Cabinet Mr Willima has issued. Only last week Minister of State for Decentralisation Mr Fitzpatrick Chuula reeled off the figures of public funds our civil servants have spent on travelling outside the country on supposed Government assignments.

Now Mr Willima tells us that when they come back they flout the laws by not paying customs duty and excise on the goodies they buy with their travel allowances which, according to the Muchangwe report, are now as high as K120 a day for the top civil servants.

If senior Government officials are the ones who disobey the law who will not?

One wonders whether it is not true that these many overseas trips undertaken by our public officers are not actually shopping jaunts sponsored out of the taxpayer's money. Otherwise Mr Willima would not have been so concerned.

As a measure to control this daylight robbery by civil servants, the Party and its Government should restrict the use of that segregative VIP lounge at Lusaka International Airport.

It is being abused. Officers and their families who use it are not subjected to declare to customs. That is money (precious money for that matter) which is lost.

Wives of ministers, permanent secretaries and other senior Government officials come through the VIP lounge with mink coats, jewellery and the like without paying duty. Is that fair?

Really in Zambia where we are advocating for a classless society it is self-defeating to have a VIP entry gate and another for the common man.

Let everybody come in through the same gate, no matter how thin or potbellied they are.

CSO: 4700/353

DATA ON SCHOLARSHIPS, STUDY TOURS

Lusaka DAILY MAIL in English 8 Aug 81 p 7

[Excerpts]

And the House was told that Britain has trained the highest number of Zambian medical doctors in specialised fields.

Minister of State for Health Mr John Mwendela told the House that 47 Zambians received scholarships between 1970 and 1980 to train abroad as doctors.

Mr Mwendela was answering a question by Mr Mukwe who wanted to know how many indigenous Zambians received scholarships to train as medical doctors in various specialised fields abroad.

The Minister of State told the House that 27 people had been trained in the UK, two in Ethiopia,

one in China, nine in the USA, three in India and one each in Bulgaria, Tanzania, Yugoslavia, USSR and Israel.

And Prime Minister Namulimo Munda told the House that Freedom House had sent more than 30 people to undertake political study tours abroad between 1978 and 1980.

Answering Mr Mukwe, the Prime Minister said although more people had undertaken such tours, he could only furnish the House with the information that four people were sent to Cuba at a cost of K2,400, 21 were sent to the USSR at a cost of K6,850 and nine went to China at a cost of K2,800.

CSO: 4700/353

TEKERE'S POLITICAL, PERSONAL SHORTCOMINGS AIRED

Salisbury THE HERALD in English 13 Aug 81 p 6

[Editorial: "Too Many Tekeres"]

[Text]

IT IS often glib to state that a certain period will be "crucial" in the future of a nation — but even the most cynical must accept that the next few months could be decisive in several vitally important areas of Zimbabwean life.

The result of the intended ZANU (PF) reorganisation in the wake of the dismissal of the secretary-general by the central committee could set the scene for an era of reform long heralded by the Prime Minister.

Politically Mr Edgar Tekere has long seemed to lie in the twilight zone between leftwing nationalism and his party's policies. He is a man who has always wanted to be considered revolutionary and belonging to the grassroots despite his lack of efficiency.

When he lost his job in January as Minister of Manpower Planning and Development Mr Tekere said that he was going back to the party to reorganise it. "The need to revitalise the party is obvious," he said.

As secretary-general, he failed "to revitalise" the party. It is true that as secretary-general he even failed to visit four of the eight provinces of this country to acquaint himself with the problems of the party. He was seldom seen at party headquarters. In plain and simple language, Mr Tekere was a talker and not a doer. He may have been one of the leaders the Prime Minister spoke of as being lazy and inefficient.

As an elected Member of Parliament and as a politician who professes to be concerned with the welfare of the poor and the disadvantaged, he has hardly been their voice in Parliament, for he rarely attends.

There are too many Tekeres in both the party and government who, too must be weeded out. Zimbabweans must reject leaders who spend most of their time drinking, womanising and burning the road at the expense of the taxpayers.

DECISION ON FERUKA OIL AWAITED

Salisbury BUSINESS HERALD in English 13 Aug 81 p 1

[Article by David Linsell]

[Text]

NO announcement on the future of the Feruka oil refinery is likely to be made by the Government until it has received the World Bank report on Zimbabwe's energy requirements.

The report's findings are due to be presented within the next six weeks, and indications from Government circles are that among the recommendations is one against the re-opening of the refinery in its present form.

Diplomatic sources have also disclosed in the wake of last week's Business Herald account on the latest developments surrounding Feruka that Mr Ahmad Zia Mian, head of the visiting energy team here last month, privately told senior Government ministers that the project as it stands today is not economically viable.

The complex in modern terms is outdated and the

owners, a consortium of oil companies headed by Shell and British Petroleum, have presented a plan to rehabilitate it on an "as built" basis at a cost of \$63 million.

In other words Feruka would simply operate along the same lines as it did when opened in the mid-1960s.

The Government is also known to consider the demands made by the consortium, Central African Petroleum Refineries Ltd., on future profits and return on capital investment — almost 20 years ago — to be unacceptable.

Significant developments have occurred on the international oil scene during the last week, which can only mean good news for Zimbabwe and the rest of the world if agreement can be reached on a common pricing structure by 13 members of the Organisation of Petroleum Exporting Countries, OPEC.

On August 4 the oil ministers of OPEC hawks Algeria, Libya and Nige-

ria met in Lagos to discuss the world oil glut. These three have suffered large losses of revenue because of their insistence of maintaining the posted price of their oil at about US\$40 to US\$41 a barrel.

But their hard line appears to be softening for on Sunday a Kuwaiti Government spokesman said OPEC ministers are to meet in Geneva on Wednesday.

Previously Saudi Arabia, which accounts for 43 per cent of total OPEC production, has stood out for its own price of US\$32 a barrel or US\$34.

The Libyan Government has indicated that it is prepared to compromise on US\$36 a barrel and the signs are that Algeria and Nigeria will settle for the same.

Any agreement is dependent upon the Saudis, who have stood out for price unification and production sharing among OPEC members.

Despite years of argument and disagreement, these aims have yet to be achieved.

IMPACT OF BUDGET ON INVESTMENT EXAMINED

Salisbury BUSINESS HERALD in English 13 Aug 81 pp 3, 4

[Article by Deric Bardo]

[Excerpt]

CERTAIN events of last week revealed a few of the possible "nasties" tucked away in the budget.

Two mining groups have had their profits slashed because, in their circumstances, the wording of the section repealing the depletion allowance has had the effect of making the change retrospective to January instead of April, the date contained in the budget speech and supporting bills.

The two corporations are Rio Tinto Mining and Bindura Nickel and both have accounting financial years running from January to December.

In contrast the taxation statutes provide for the tax year to run from April to March.

Now if a company's financial year ends at any date other than March 31 then the tax authorities may agree to accept the accounting year as the equivalent of the tax year.

Thus both Rio and Bindura lose the depletion allowances and get reduced capital allowances as from January — three months earlier than those mines whose year starts in April.

The magnitude of the change can be gauged from Bindura's tax bill for the half year ended June of \$789 000 on a gross profit of \$3.1 million compared with no tax in 1980 on \$4.6 million.

Likewise, Rio now pays \$596 000 on \$1.15 million, an effective rate of 52 percent compared with 37 percent in the previous year.

Another possible ramification of the Capital Gains Tax Bill comes to mind when considering share capitalisation schemes.

Take the example of National Foods.

On July 10 Natfoods scheduled a meeting for last Thursday at which shareholders were to approve the capitalisation of \$12 million of prior years' undistributed profits (capital and revenue) into shares by means of raising the nominal value of each share from 50c to \$5c.

The meeting was adjourned until 9.30 a.m. today because one shareholder disliked the method because it would take the face value too close to the market price and thus possibly cause difficulties if new shares were to be offered in the future (say a rights issue).

However, I wonder if the board has considered

the capital gains side of the issue?

The directors' plan is that the \$12 million of undistributed reserves should be locked-in permanently within the company so that the reconstructed company's share capital balances the fixed asset investment. It is in fact to be nothing more than a tidying up exercise.

But Senator Nkala's CGT may upset the apple cart.

Would the \$12 million if transferred from accumulated profits to share capital constitute a capital gain for shareholders?

If so, the company, because of the free disposition, would have to pay 30 percent of \$3.6 million to the Treasury — a very costly good housekeeping exercise!

The layman would perhaps argue that there could be no capital gain and thus no liability for tax because there would be no real change in the company's capital fund or shareholders' wealth.

The company's structure would be basically the same; shareholders equity would still total \$31 million; the change of \$12 million would be simply a shuffling between reserves and share capital.

Common sense indicates that the company

would not have disposed of any amount nor would shareholders have gained any profits.

But the foregoing may not be a strict interpretation of the tax situation. Shareholders do not have a "right" to undistributed profits.

This right comes into existence only when the directors propose its distribution or conversion into shares and shareholders agree.

It is only by such means that the right to the undistributed reserves moves from company to shareholders; before that time there is but a hope that they will benefit from its possible future distribution.

Therefore, through acceptance of a resolution such as that proposed by Natfoods it could be argued that shareholders do benefit and the company does in fact dispossess itself of a right which may be taxable as a capital gain.

However, the matter is complicated by the ambiguity of the definition of "marketable security" in the CGT Bill.

But if the transfer of the \$12 million into shares is indeed a "right" covered by the meaning of

"marketable security" then Natfoods could find itself liable to pay \$3.6 million on the book entry.

One wonders if it is the legislature's intention to tax this type of transaction?

Perhaps the wise thing for Natfoods to do would be to shelve the resolution.

As a compromise, which would achieve the same structural objective, shareholders could vote that the \$12 million be moved from distributable to the non-distributable or capital reserve account.

This definitely would not attract tax.

There are other problems raised by the CGT Bill.

As an illustration take the proposed shareholders' resolution announced by Merlin last week.

The Merlin plan is to issue 55 400 shares to long serving workers at 40c a share (5 cents a share below market price) "on the basis that a service bonus will be paid to the employees concerned and will be applied to payment of the issue price in full".

If Merlin had simply donated the shares to the workers it would have

been liable for capital gains tax of about \$7 500 on the allocation.

By adopting this approach of making workers pay for the shares the company's liability for capital gains tax is reduced to around \$800.

However, the method is hardly ideal.

The workers will have the "service bonus" included in their annual income returns for tax purposes but the cash would have been "applied" to the payment of the bonus shares.

Thus they may suffer a "cash drain" and if so are hardly likely to appreciate the deal.

It is ridiculous to ask workers to pay for their bonus shares.

There is a solution — the Bill must be amended to exempt approved worker share schemes from liability for capital gains tax; otherwise the new legislation positively discourages share-schemes for workers.

Rio

RIO TINTO Mining operating profits before tax are way down (first quarter \$572 000; second quarter \$422 000) because

of steadily rising costs and falling bullion prices.

The after tax profit picture is more depressing: first quarter reported as \$518 000; second quarter, after adjusting for budget changes, only \$39 000.

Because of the mining cost rises and the tax squeeze and uncertainties regarding the gold price the interim dividend has been passed.

Sadly (particularly as it is so out of character) Rio failed to provide a guideline on profits for the rest of 1981.

In May the chairman estimated earnings of about \$2.5 million.

It seems as if extra tax could have reduced this to \$2 million; but gold prices have not improved since May, so \$2 million may be too optimistic.

A forecast based on disclosed assumptions would not only aid investors but could possibly strengthen the group's case when dealing with the Treasury on the allowances issues.

It seems as if my estimate of a total dividend of 7c for the year may prove to be too generous.

ALGERIANS INVOLVED IN TALKS ON TWO-WAY TRADE

Salisbury THE HERALD in English 13 Aug 81 p 1

[Text]

DISCUSSIONS on economic co-operation between Algeria and Zimbabwe, with particular emphasis on developments within the Third World, was the purpose behind last week's visit to Salisbury of the Algerian Minister of Heavy Industry, Mr Mohamed Liassine (pictured).

Both countries must increase their economic bargaining power with the North, so that they can fulfil the rights of their peoples to a share in the world's goods, said Mr Liassine.

"Each developing country must bring its contribution to furthering development among its fellow nations," he said.

The minister felt it was important to have direct trading links between Algeria and Zimbabwe, as often it was the case that developing countries exported products to the North and then the same goods were imported by another Third World nation.

This meant the developing countries were losing part of the value of their products to a middleman, and other countries were paying higher prices.

Mr Liassine said talks had been held in Zimbabwe at the highest level to discuss these matters. He and his delegation were intent now on assessing the possibilities of bilateral trade between the two countries.

Mr Liassine added: "Both countries are in total agreement and all the legal instruments exist to begin trade".

He mentioned that while trade in Algeria was primarily conducted by state owned companies, his country was very willing to trade with both the public and private sector in Zimbabwe.

The minister visited a number of industries during his stay and was impressed with their efficiency.

Turning to training, Mr Liassine said Algeria had facilities to train industrial specialists at all levels. His country was ready to offer these facilities to the Zimbabwean economy.

RAIL HITCH CURBS SUGAR EXPORTS

Salisbury THE HERALD in English 13 Aug 81 p 1

[Text]

ZIMBABWE'S sugar industry, with foreign earnings of more than \$63 million in the year to March 31, has had to stockpile 51 000 tonnes of sugar in the Lowveld in the current milling season because of the rail transport problem.

All sugar is being exported through Maputo, and since the start of the new milling season early in May only 60 percent of production has been railed to the port.

The chairman of Hippo Valley Estates, Sir Raymond Stockil, highlights the "serious problem" in his annual report released today.

Shipments were also deferred earlier this year because of a mechanical breakdown at the industry's bulk loading terminal at Maputo.

This has been temporarily solved, but to ensure the continuity of future exports the industry is co-

operating with the Swaziland sugar industry to carry out improvements to the terminal costing \$1.1 million.

Sir Raymond forecasts that profits and dividends will fall substantially in the current year from last year's record profit of \$22 565 million and total dividends of 25c a share.

Last year's profit was due entirely to the high world sugar price and this has now fallen to about £225 a tonne from the November peak of £410 a tonne.

Sir Raymond said it is impossible to assess the world price for the rest of the year, and costs of production have gone up substantially in the past year. "We are particularly vulnerable to further cost increases now that world prices have fallen to lower levels," he said.

Since independence and Zimbabwe's membership of the International Sugar Organisation many new export opportunities have

been opened up to the industry.

Last year sugar was exported to Algeria, Finland, Portugal, Russia, Sweden and the United States. In addition, Zimbabwe has a quota to supply 25 000 tonnes a year to the EEC from mid-1982 at a preferential rate, Sir Raymond said.

Local consumption increased substantially last year, and it now absorbs just over 150 000 tonnes of total production of 340 000 tonnes. While there are indications of a levelling off of local market growth, there should be "steady growth" in the coming year, said Sir Raymond.

With the first cane from the new Mkwase Estate being milled this season, Hippo Valley has increased its production target to 250 000 tonnes. Production so far in this milling season totals 83 000 tonnes compared with 63 000 tonnes at the same stage last year. — Ziana.

DIFFICULTY OF POLICING WEST DESCRIBED

Salisbury THE HERALD in English 13 Aug 81 p 3

[Text]

BULAWAYO.

A POLICEMAN'S task in Gokwe, the "wild west of the Midlands", does not end with just trying to keep law and order in a district which has had its fair share of lawlessness.

If you are a policeman in Gokwe you are expected to provide a variety of services to the community far beyond the accepted law officer's burden.

This task embraces the use of limited police transport and telecommunications facilities for the benefit, for instance, of the sick from outlying areas.

Acting police chief of the district, Inspector William Mkurazita, says: "It is a mammoth task to combine with our own police duties when we are so short-handed. But it must be done."

Stretching from Kana in the south to just south of Matusadona National Park near Kariba, Gokwe district is probably the biggest in the country.

The village of Gokwe, itself, is situated near the south end of the district, leaving the borders with places such as Binga and the far north at least 200 km away.

Road communications are non-existent even at the best of times, during the dry season. Large areas of Gokwe are still infested with tsetse fly which, according to Mr John Mangwani, the district animal health inspector, are the biggest threat to the cattle industry of the district.

Inspector Mkurazita has a staff of 100 men to police the district, of whom 82 are regulars. Among the regular forces, two are inspectors, seven patrol officers and seven sergeants.

He reckons another four police stations of the size of Gokwe are needed before the forces of law and order can be expected to provide effective coverage of the district.

He has four radio stations at vantage points of the district for communications, but he thinks what the district needs is a telephone network.

And before telephone links are established road communications must be improved and new odes built.

"It's not unusual for a crime to go unreported for several months in Gokwe just because people must walk long distances to reach a police post," said Inspector Mkurazita.

When the report finally reached the police, the culprit may have left the area.

The man whose burden it is to ensure that everything is moving smoothly in all sectors of community life in Gokwe is the chief executive of the district council, Mr Levy Paul Magede.

The Cheziye-Gokwe District Council administers 300 000 people, most of whom live in the south-central region of the district, according to Mr Magede.

Gokwe has 150 primary schools, only 14 of them with Form 1, and no secondary school. Of 1 517 teachers in the district, only 329 are trained.

Mr Magede says most of the teachers are "expatriates" from outside Gokwe who were probably driven by desperation to seek employment there.

There is a dire need for trained teachers in the district, especially since two Government secondary schools are on the drawing boards for Nembudziya and Njelele which, it is hoped, will open next January.

Applications have also been submitted for another 16 primary schools to open next January.

The district has seven clinics and many more are needed, Mr Magede said. Road-making was being affected by lack of earth moving equipment.

On the bright side of things, Gokwe has had a most rewarding season on the agricultural front, with peasant farmers expected to reap 483 836 bags of maize and 210 013 of groundnuts, with a total value of \$11 141 750.

Add \$12 163 000 expected from cotton this season, and Gokwe can claim an all-time record.

But there are problems even with the maize crop, because of a critical shortage of empty bags and soaring prices.

The council expects to earn at least \$100 000 from the Department of National Parks and Wildlife Management's Operation Windfall in the Sengwa Gorge and Spangate areas, where a team is culling elephant.

This money will come from the proceeds of elephant skins and perhaps a bit more from sales of ivory.

CSO: 4700/345

RURAL COOPERATIVES 'RESCUE' PEASANT MINING SECTOR

Salisbury BUSINESS HERALD in English 13 Aug 81 p 1

[Article by Keith Atkinson]

[Text]

THE vast potential of the peasant mining sector is being exploited by rural co-operatives.

Peasant miners in the past were faced with a number of daunting problems. Often they were working unregistered claims and inadvertently transgressed mining laws.

Exploitation was rife as pirate traders roamed the rural areas buying minerals at rock bottom prices.

Few miners had the capital to buy equipment and pay for transport to the city-based markets for their production was lacking. And many miners did not have any expertise in efficient mining methods.

In an attempt to rectify the situation and bring profitability to peasant mining two complementary developments have occurred.

The Mgodi Co-operative has been set up and private trading companies have begun organising the marketing of the products.

Dohm Trading Company (Pvt) Ltd is encouraging the extraction of beryl, tantalite and microlite ores, tin ore and tungsten ore in the Urungwe, Karoi, Moko and Filabusi areas.

All these minerals are low bulk, high value base minerals that can be containerised and shipped to overseas markets.

Dohm proposes the creation of central warehouse points, with shop facilities for food and basic household goods. In time these could become economic growth points for the rural areas.

Mobils production units would travel within a given radius of the warehouses visiting new peasant mines. Other services offered would be drilling and blasting, and a centrally-based mechanic to service all mobile equipment.

Dohm assists mining co-operatives in the marketing of their mineral production, said a spokesman. The company is dealing with a number of small mine operators. All business is conducted on a standard broker-client arrangement and any quantity of minerals are bought.

The spokesman said: "Miners bring in quantities ranging from a few kilograms to several hundred kilograms. We take an assay sample and to ensure a fair deal pay for the load at current market prices."

Prices a miner can expect to receive at the moment are about US\$37 for a pound of good grade

tantallite and US\$500 for a tonne of beryl.

Once a sufficient quantity of ore has been collected it is crushed at the company's warehouse in Msasa, blended to ensure a uniform quality, packed, and then sent by container to overseas markets.

The company recently shipped its first load of 18 tonnes of beryl to the US. The shipment was bid for by four major international companies, and Dohm is negotiating for a six-month set price for the ore.

Present markets are in Europe and the US, and interest has been shown by Japanese firms.

Dohm also has seven tonnes of tantallite, its first tonne of wolframite and half a tonne of shelite in storage.

The company believes that if the peasant mining sector continues to expand at its current rate the value of exports could be between US\$150 000-US\$175 000 a month.

Mr Johnson Ndlovu, a consultant to the Mgodi Co-operative, said: "The idea of a co-operative was essential if development was to take place in the peasant mining sector."

Mr Ndlovu said that when the co-operative is fully established it will provide the small mine worker with numerous benefits. There will be the facility to have a claim registered by an approved prospector. He acts as guarantor for the person in whose name the claim is filed.

The miner will be instructed in mining law and if necessary be given training in mining methods such as soil sampling of deposits.

Through the co-operative's resources members can acquire basic equipment such as compressors and gravity separation machines. Transport of minerals will also be arranged.

Members pay \$10 to join and Mr Ndlovu believes a percentage sharing of profits system will be worked out. The money paid to the co-operative will be used to pay for the services of the approved prospectors, blasting costs, equipment bought and loans made to members.

Mr Ndlovu said: "There are two views on how co-operatives should operate.

The one idea is that they be specific to a particular sector, the other is that they diversify into various projects."

In the Filabusi district, for instance, the community as a whole is involved in the development of the region.

Rural farmers, ranchers and miners have pooled resources and the end result is an equitable spread throughout the community of the inflow of cash from their operations.

Government assistance has not been sought for co-operative ventures but the Ministry of Mines is kept informed of developments.

One problem that both Mr Ndlovu and the trading company mentioned was the issuing of Exclusive Prospecting Orders to major mining companies.

They felt that if this trend continued the areas suitable to small-worker mine operations would be threatened. The result would be the removal of a potential rich source of income for the rural dweller.

BRIEFS

RURAL STORES--Businessmen in the Shamva, Rushinga and Mount Darwin districts are drawing up a medium-term plan to co-ordinate purchasing and distribution for over 100 stores in the areas. The idea is to run the scheme along co-operative lines, said Mr Joseph Kaparadza, Member of Parliament for Mashonaland Central. The stores serve a population of around 200 000, but because of restrictions on credit and discount combined with transport problems, businessmen intend to band together to take advantage of their purchasing power. He said general dealers in the districts lack the funds to restock their stores hence the need to pool their resources. By forming a co-operative they should gain better access to credit and discount facilities in Salisbury. A central warehouse is to be constructed from which stocks and supplies can be distributed to members' stores by a pooled transport fleet, thereby creating a growth point in line with Government policy. One advantage of pooling transport, said Mr Kaparadza, would emerge during the cropping season when lorries going out to deliver supplies could bring back maize grown by peasant farmers to the central warehouse. From there it could be sent by road, possibly using the same fleet of lorries, to the nearest Grain Marketing Board depot. With this in mind the traders have formed the Munhumutapa Chamber of Commerce and elected Mr T. Garwe as its chairman and Mr K.A. Mpini vice-chairman. Secretary-general is Mr K.A. Sukuueri and his deputy is Mr S. Chiripanyanga. A further 13 members have been elected to the executive committee. [Text] [Salisbury BUSINESS HERALD in English 13 Aug 81 p 1]

HIPPO VALLEY'S PROFITS--High world sugar prices in the second half of 1980 enabled Hippo Valley Estates Ltd to produce record profits of \$22,635m for the 12 months ended March 31, 1981, compared with \$2,713m in the previous year. Reserves are now at such a level that chairman Sir Raymond Stockil has announced that the issued capital is to be increased from \$24m to \$72m. Share capital, says Sir Raymond, is now significantly out of line with the value of fixed assets, hence the proposal to capitalise \$18 000 of share premium, capital reserve of \$32,136m and a proportion of the general reserve which stands at \$21,308m. Turnover during the year leaped from \$27,987m to \$60,761m. "It is pertinent to record that 1980/81 was the only year out of the last five years when the ex mill yield on exports exceeded the average cost of production," said Sir Raymond. Despite record profits dividends have been restricted to 25¢ a share (1980, 4¢) in order to reduce borrowings from \$32m. to \$20m. at the year end. [Text] [Salisbury BUSINESS HERALD in English 13 Aug 81 p 1]

ZANU (PF) RALLY--Certain "devil's advocates"--party members who only criticised the Government and turned a blind eye to the positive aspects--were castigated yesterday at a ZANU (PF) rally at Mazoe by Mr Naison Muroyiwa, ZANU (PF) MP for Mashonaland Central. He said the time had come for the people of Zimbabwe to become a disciplined nation determined to repulse any irresponsible denunciations of the Government. He urged all the people to come together in unity and enjoy the fruits of "our independence" for which so many people died. The MP called on people not to be satisfied with their own independence, which he said was not enough without freedom in Namibia and South Africa. Calling for the strengthening of the party, Mr Muroyiwa said the people had to elect party officials who would not require immediate dismissal soon after their appointment because of laziness or indiscipline.--Ziana [Text] [Salisbury THE HERALD in English 13 Aug 81 p 3]

ORDER FROM JAPAN--Commercial farmers in Japan have placed a \$360 000 order for pasture seed with a Salisbury company, Farm Seeds (Pvt) Ltd. The order is for 90 tonnes of grass seed, which will be sold at \$4 a kg. Manager Mr John Roy said the Japanese order has increased substantially from last year. The seed will be sent to Japan by the end of the year, in time for spring planting. Mr Roy said: "One problem that has been encountered is the seed is an annual crop and is not stockpiled. We will be hard pressed to fill the entire order." However, the company, which is the agent for the Zimbabwe Pasture Growers Association, expected an excellent crop due to the favourable rains. [Text] [Salisbury BUSINESS HERALD in English 13 Aug 81 p 1]

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